

CONGRESSIONAL QUARTERLY
Weekly Report

REPRODUCTION PROHIBITED IN WHOLE OR IN PART

VOL. XV
PAGES 853-880

No. 29

WEEK ENDING JULY 19, 1957

CONTENTS

	Page
Congressional Boxscore	ii
Floor Action	853
Pressures On Congress	867
Around The Capitol	870
Status Of Appropriations	871
Political Notes	872
Committee Roundup	873
Public Laws - Bills Introduced	876
Congressional Quiz	iii
Week In Congress	iv

*Senate Takes Up Civil Rights,
Rejects 7-Day Committee Study*

Page 854

Depletion Allowances

Page 859

POSTAL PAY RAISE CAMPAIGN

Page 868

WISCONSIN'S PRIMARY CANDIDATES

Page 872

*Foreign Aid
Debate*

Page 853

*Bowler Dies;
McConnell Quits*

Page 870

BY CONGRESSIONAL QUARTERLY NEWS FEATURES

The Authoritative Reference on Congress

1156 NINETEENTH STREET, N. W. • WASHINGTON 6, D. C. • STerling 3-8060

Congressional Boxscore

MAJOR LEGISLATION IN 85th CONGRESS

As of July 19, 1957

BILL	HOUSE	SENATE		SIGNED
Mideast Doctrine (H. J. Res. 117)	Reported 1/25/57	Passed 1/30/57	Reported 2/14/57	Passed 3/6/57
Foreign Aid (S 2130)	Reported 7/9/57		Reported 6/7/57	Passed 6/14/57
OTC Membership (HR 6630)				
Immigration (S 343-346)				
School Aid (S 872) (HR 1)	Reported 5/28/57			
Civil Rights (S 83) (HR 6127)	Reported 4/1/57	Passed 6/18/57	Committee Bypassed	Debate Underway
Alaska Statehood (S 49) (HR 7999)	Reported 6/25/57		Approved 7/1/57	
Hawaii Statehood (S 50) (HR 49)	Hearings Completed		Approved 7/1/57	
Excise, Corporation Taxes (HR 4090)	Reported 2/7/57	Passed 3/14/57	Reported 3/25/57	Passed 3/27/57
Small Business Administration (S 2504) (HR 7963)	Reported 6/13/57	Passed 6/25/57	Reported 7/9/57	
Minimum Wage Extension (S 1139)	Hearings Underway		Hearings Completed	
FBI Files (S 2377) (HR 7915)	Reported 7/5/57		Reported 7/1/57	
Hells Canyon (S 555) HR 5	Rejected 7/2/57		Reported 5/15/57	Passed 6/21/57
Higher Postal Rates (HR 5836)	Reported 6/3/57			
Depressed Areas Aid (S 964, 1433)			Hearings Underway	
Natural Gas Regulation (HR 8525)	Reported 7/19/57			
Corn Acreage (S 1771) (HR 4901)	Reported 2/21/57	Rejected 3/13/57	Reported 4/1/57	Rejected 4/10/57
TVA Financing (S 1869) (HR 4266)	Approved 7/17/57		Reported 7/2/57	
Housing (HR 6659)	Reported 4/8/57	Passed 5/9/57	Reported 5/20/57	Passed 5/29/57
Federal Judges' Tenure (HR 110, 3818)	Reported 2/27/57	Passed 3/19/57		
Lobby Law Changes (S 2191)				
Presidential Disability	Hearings Completed			
Banking Law Revision (S 1451)			Reported 3/4/57	Passed 3/21/57

Appropriations — The President signed the Treasury-Post Office appropriation (HR 4897) May 27; the Executive Offices appropriation (HR 5788) June 5; the State-Justice-Judiciary bill (HR 6871) June 11; the Commerce Department bill (HR 6700) June 13; the District of Columbia bill (HR 6500) June 27; Independent Offices bill (HR 6070) June 29; Labor-Health, Education and Welfare (HR 6287) June 29; the Interior Department appropriation (HR 5189) July 1; Legislative appropriation (HR 7599) July 1. The House May 15 and the Senate June 11 passed the Agriculture appropriation (HR 7441); the House June 9 and the Senate July 2 passed the Defense appropriation (HR 7665). The House passed the Public Works bill (HR 8090) June 20.

Floor Action

HOUSE BEGINS DEBATE ON THE MUTUAL SECURITY ACT

The House July 15 began debate on the Mutual Security Act of 1957 (S 2130). Final action on the bill was postponed July 18 when the House cancelled all business out of respect for Rep. James B. Bowler (D Ill.) who died in Chicago.

The House July 17 tentatively accepted two amendments -- both by Alvin M. Bentley (R Mich.) -- while in the Committee of the Whole. The action could be reversed by later roll-call votes and further amendments may be brought up. Accepted by a standing vote of 136-31 was a Bentley amendment to confine the military assistance authorization entirely to fiscal 1958. The House Foreign Affairs Committee had approved "such sums as may be necessary to carry out the purposes" of military assistance for fiscal 1959.

The second Bentley amendment cut by \$200 million, to \$500 million, Committee-approved funds for fiscal 1958 defense support. The Administration had requested \$900 million; the Senate approved \$800 million. The amendment was rejected by a standing vote of 79-91, then accepted by a teller vote of 106-100.

President Eisenhower July 17 said that the defense support cut "can be considered as no less than a threat to our Nation's security and that of the free world." Mr. Eisenhower said: "I view this cut with the utmost seriousness.... I sincerely trust that the sum authorized by the Senate will be accepted by the House."

The House July 17 rejected an amendment by Omar Burleson (D Texas), as amended by Wayne L. Hays (D Ohio), to express the sense of Congress that Status of Forces agreements should be revised so that the United States might "exercise exclusive criminal jurisdiction over American military personnel while on duty" within the boundaries of foreign countries. This amendment was rejected by a standing vote of 115-121 and again by a tie teller vote, 134-134. The President at his July 17 press conference opposed any revision of the Status of Forces agreements. (Weekly Report, p. 870)

BACKGROUND -- The Senate June 14 passed S 2130 by a roll-call vote of 57-25. As approved by the Senate the bill carried authorizations of \$3,617,333,000. The Administration authorization request, according to the Committee, was "not susceptible to being totaled" but the Senate group said the net reduction it had made was \$227,300,000. (Weekly Report, p. 733)

The House Foreign Affairs Committee July 9 reported S 2130 (H Rept 776). The Committee cut the Senate-approved funds by \$375 million, recommending an authorization of \$3,242,333,000. Maximum amounts approved by the House Committee: military assistance, \$1.5 billion for fiscal 1958; defense support, \$700 million for fiscal 1958; Development Loan Fund capitalization, \$500 million without fiscal year limitation, plus authority to borrow \$500 million from the Treasury in both fiscal 1959 and 1960; technical cooperation, \$151.9 million for fiscal 1958.

The House Committee deleted provisions for authorization of \$1.5 billion in military assistance funds for fiscal

1959 and \$710 million for fiscal 1959 defense support, both approved by the Senate.

DEBATE -- July 15 -- Thomas S. Gordon (D Ill.) -- "The current shifts in the Kremlin mean new faces, but we have no basis whatever for any hope that the old Communist threat has been removed."

Lawrence H. Smith (R Wis.) -- "This measure is the almost complete abdication of Congressional control over the (foreign aid) program." The U.S. has "failed to transmit to the world the concept that economic growth and spiritual development rest solely with the individual. In this program we substitute Government action for individual effort."

L.H. Fountain (D N.C.) -- "The very purpose of this Development Loan Fund is to begin a long-range program which will last indefinitely."

July 16 -- Frank M. Coffin (D Maine) -- Those who "accept the validity of the loan fund idea, but say that long-range planning can still take place even though funds for only one year are authorized,...ignore the basic realities of negotiating and programming." Authorization of the loan fund for one year would mean "no effort...to explore other projects than those previously submitted.... (and) there would be little incentive for planning, negotiating, surveying and estimating.... Moreover, a one-year authority for the fund would perpetuate the chief cause for all the waste, poor planning and looseness of the past."

Alvin M. Bentley (R Mich.) -- If the Development Loan Fund were adopted "the Congress will have little or no control over the countries to which aid is given and the projects for which it is used." If there was to be such a fund it should be left to "an organization like the Export-Import Bank rather than this new creation."

Clare E. Hoffman (R Mich.) -- "I am forced to the conclusion that I cannot support a program which calls for the expenditure of billions of additional dollars, when doing so will bring additional suffering and hardship to our own people, bleed us white and in the end drastically lessen, if not destroy, our ability to defend ourselves."

July 17 -- Leon H. Gavin (R Pa.) -- The program of the Development Loan Fund "should be carefully examined and determined every year as to whether or not the will of Congress is being followed."

Burleson -- The language in the amendment to give the U.S. exclusive criminal jurisdiction over military personnel stationed abroad "is not as strong as I would like but is drawn to meet the test of germaneness." The amendment "simply states that (the President) should explore and find ways and means to preserve the constitutional rights of men in uniform stationed in foreign countries."

Hays -- "Members of the House in conversations have expressed the desire not to have to vote on the proposition of extending the right of a court martial or a trial in an American court to a serviceman who commits a crime while on leave."

SENATE VOTES 71-18 TO TAKE UP CIVIL RIGHTS BILL

The Senate July 16 by a roll-call vote of 71-18 agreed to the motion of Sen. William F. Knowland (R Calif.) to begin consideration of the Civil Rights Act of 1957 (HR 6127). The action came after the Senate had spent eight days debating the motion. By a roll-call vote of 35-54 a motion by Sen. Wayne Morse (D Ore.) to refer HR 6127 to the Judiciary Committee with instructions to report the bill within seven days was rejected. (For voting, see chart p. 858)

Immediately after the Senate's action, President Eisenhower said he was "gratified" that the bill had been made the "pending business" of the Senate. He said "I would hope...whatever clarification it (the Senate) may determine to make will keep the measure an effective piece of legislation to carry out...the objectives...consistent with simple justice and equality afforded to every citizen under the Constitution of the United States." (Weekly Report, p. 870)

Sen. Richard B. Russell (D Ga.), leader of southern opposition forces, said "we are prepared to extend the greatest effort ever made in history to prevent passage of this bill in its present form."

BACKGROUND -- The House passed HR 6127 June 18 by a 286-126 roll-call vote. The Senate June 20 agreed, by a 45-39 roll call, to bypass the Judiciary Committee and place the bill on its calendar. Debate on the Knowland motion that the Senate "proceed to the consideration of HR 6127" began July 8. (Weekly Report, p. 487)

DEBATE -- Senate officials estimated that 66 speeches were made during the eight days of debate on the Knowland motion. Most of these were made by Southerners against the bill.

Southerners claimed the bill was not a "right-to-vote" measure as held by the Administration, but it contained veiled provisions that would allow the President to send troops into the South to uphold integration rulings as well as voting rights.

July 11 -- Lyndon B. Johnson (D Texas) -- Backed the move by Morse to send the bill to the Judiciary Committee and said this action would "be saving time."

Olin D. Johnston (D S.C.) -- Provisions in Part 3 would permit the President to use troops to enforce civil rights and "would destroy the Bill of Rights and create a modern American Gestapo state."

July 12 -- The Senate agreed unanimously to vote on the Knowland motion July 16.

Morse -- Failure to refer the bill to Committee could endanger the "orderly legislative process."

Herman E. Talmadge (D Ga.) -- Without a Judiciary Committee report the Senate had "no vehicle on which to travel but hearsay, rumor and innuendo" in considering the bill.

July 13 -- Russell -- Proposed three amendments to the bill that would eliminate Part 3, require Senate approval of the Civil Rights Commission staff director proposed in the bill and bar the Commission from using voluntary, unpaid workers.

Karl E. Mundt (R S.D.) -- Offered a substitute for the bill that would limit the use of the injunction process to the protection of voting rights, provide for a limited form of jury trial and curb the investigating powers of the proposed Civil Rights Commission. His proposal was "a measure the Southerners can't vote for, but one with which they can live."

July 15 -- Sam J. Ervin Jr. (D N.C.) -- There was "a good chance" to reduce the Administration's bill to "what its supporters have been trying to advertise it to be -- namely, a voting rights bill."

Pat McNamara (D Mich.) -- "The die-hard opponents of this legislation will vote against it" no matter what compromises are written into it. "Their ultimate weapon, the filibuster...is the weapon that the Senate must bury forever." He would "support this proposed legislation word by word and section by section."

Charles E. Potter (R Mich.) -- "I think the bill is a good one as it stands. All the so-called compromises are coming from people against the legislation in the first place."

July 16 -- Harry Flood Byrd (D Va.) -- Chief Justice Earl Warren was "a modern Thaddeus Stevens." The current Supreme Court would let the Federal Government say who should vote, "the Constitution notwithstanding." The "iniquitous bill is a refutation of our entire American jurisprudence."

Russell B. Long (D La.) -- The bill "is a creature of the basest political motivations. It has not been carefully considered. It has been advocated in the name of the President who has admitted that he does not understand all of the things that are in the bill."

Jacob K. Javits (R N.Y.) -- Part 3 of the bill would provide for the enforcement of rights that are "just as fundamental as the right to vote."

Johnson (D Texas) -- His vote supporting the Knowland motion was "not to be construed as support of this bill." Part 3 was "intolerable." "I could not, in conscience, vote against a jury trial for American citizens."

Clinton P. Anderson (D N.M.) and George D. Aiken (R Vt.) -- Co-sponsored an amendment to delete Part 3 from the bill.

July 17 -- Anderson -- Part 3 "has nothing to do with the protection of voting rights. It is a section of dubious parentage, or uncertain effect and of mysterious purpose." He supported the amendment "not because I love civil rights less but because I want to see this bill enacted."

Estes Kefauver (D Tenn.) -- Proposed amendments to provide jury trials in cases where a court was trying to punish a defendant for violation of court orders and to provide that the proposed independent Civil Rights Commission would be converted to a Senate-House commission.

Knowland -- Offered an amendment co-sponsored by Hubert H. Humphrey (D Minn.) providing for the repeal of the 1866 statute that would allow the President to use the military to "aid in the execution of the judicial process...." Part 3 refers to this statute.

Humphrey -- The Attorney General "made a blunder by placing that provision in the bill."

Russell -- The action of Knowland and Humphrey was "an admission that the bill contained the powers that I asserted it did."

Spessard L. Holland (D Fla.) -- "If the Attorney General wishes to be in one of the most disagreeable and distressing situations into which he could possibly get, let him try to enforce this proposed law."

July 18 -- Russell -- The Administration bill would remain "a force bill of the rawest kind" even if authority to use troops to enforce orders were deleted.

Knowland -- His amendment would "help keep the debate on a more even keel."

VETERANS' COMPENSATION

The House July 12, by a roll-call vote of 191-161, recommitted a bill (HR 72) to amend the World War Veterans' Act of 1924 by limiting the number of relatives who could claim accumulated Government benefits of incompetent veterans. The recommitment motion was made by Rep. Edith Nourse Rogers (R Mass.). House action in effect killed the bill for this session of Congress. (For voting, see chart p. 856)

BACKGROUND -- The bill was approved March 28 by the House Veterans' Affairs Committee (H Rept 285). As reported it would have provided that estates of legally incompetent veterans that had been amassed from Government payments would revert to the Government if there were no living wife, husband, child or dependent parent.

DEBATE -- Ross Bass (D Tenn.) -- "The compensation paid for a service-connected disability should be accruable. This (bill) is a protection of the veterans' rights not of the rights of his heirs.... I cannot understand why the House would not want to protect the rights of the veteran."

Mrs. Rogers -- It was an "outrage" that the estate of an incompetent veteran would lose all his benefits and that the Treasury could recover them. "There are individual posts (of the Disabled American Veterans) all over the country who object to this bill.... The national VFW came out with a strong statement against it. My own impression is that the American Legion did not realize what was in the bill and they did not take it up with the proper committee. I am sure they would not go along with some of these provisions."

CIVIL DEFENSE

The House July 15 passed by voice vote and sent to the Senate a bill (HR 7576) giving the Federal Government and the states joint responsibility in civil defense programs. The measure, amending the 1950 Civil Defense Act, provided for Government direction, coordination and guidance in the programs, and authorized financial contributions to the states to carry on their projects.

BACKGROUND -- The Armed Services Committee July 5 reported HR 7576 (H Rept 694) with amendments. The report estimated expenses for carrying out the measure at \$18,850,000 for fiscal 1958. (Weekly Report, p. 818)

PROVISIONS -- As passed by the House HR 7576: Authorized Federal participation of up to 50 percent in personnel and administrative expenses of state civil defense offices, as well as subsistence and other expenses of persons attending civil defense schools.

Authorized procurement and loan to the states of radiological instruments to detect nuclear fallout.

Required states to submit plans for their programs before receiving financial aid.

DEBATE -- July 15 -- Carl T. Durham (D N.C.) -- Both the President and the Civil Defense Administration favored joint Federal-state responsibility.

Chet Holifield (D Calif.) -- The bill was merely a substitute for the "feeble" Administration response to demands for an up-to-date program.

Committee Briefs

FARM SURPLUS DISPOSAL

Walter C. Berger, administrator of the Agriculture Department's Commodity Stabilization Service, July 16 said there might be "a drastic reduction" of from 15 to 25 percent in the barter of surplus farm products to foreign nations because of tighter rules on the transactions. Berger, testifying at a Senate Agriculture and Forestry Committee hearing on the administration of the Agricultural Trade Development and Assistance Act, said direct sales for dollars should offset the declines. The tightened rules, he said, resulted from a study showing that much of the bartered surplus went to nations that normally could deal for dollars. Berger said the Department opposed transactions aimed primarily at bolstering prices of domestic metals and minerals. (Weekly Report, p. 710, 764)

PAY TV

Chairman Emanuel Celler (D N.Y.) of the House Judiciary Committee July 14 warned the Federal Communications Commission not to conduct field trials of pay-as-you-see television without the express consent of Congress. He said the proposed tests contained a "calculated risk" to free television broadcasts. In a letter to FCC Chairman John C. Doerfer, Celler said "imprudent experimentation" with subscription television would pose a serious threat to the existing policy of encouraging "a Nationwide and competitive free television service." He said FCC's decision to permit subscription trials was stretching its legal power "to its very limits, if not beyond them." (Weekly Report, p. 820)

HELLS CANYON DAM

Democratic backers of the Hells Canyon Dam bill (HR 5) July 17 prevented action by the House Interior and Insular Affairs Committee by talking throughout the meeting. Action also was forestalled at the July 10 meeting when Democrats failed to attend. Secretary of the Interior Fred A. Seaton July 12 criticized a Democratic proposal to introduce a new bill, authorizing construction by Army Engineers, instead of the Reclamation Bureau. Seaton said, "It proves one of our contentions.... There never have been any irrigation benefits at Hells Canyon...." Rep. Adam C. Powell Jr. (D N.Y.), who was absent July 2 when his subcommittee voted to strike the enacting clause from the bill, July 13 left on a three-month European tour. His office said he left no proxy. (Weekly Report, p. 844)

FOREIGN DECORATIONS

The Senate Foreign Relations Committee July 18 indefinitely postponed action on six bills authorizing acceptance of foreign decorations by individual Members of Congress (HR 8582, 8594, 8633, 8656, 8678, 8734). Sen. Wayne Morse (D Ore.), a Committee member, said Congress should establish a policy of not permitting such decorations until Congressmen left office, since there was bound to be public suspicion of political implications.

CQ House Vote 52.

(Corresponding to Congressional Record
Roll-Call Vote No. 142.)

Bill to Limit the Number of Relatives of Veterans Eligible to Claim His Government Benefits Killed

52. HR 72. Amend the World War Veterans' Act of 1924 to limit the number of relatives who could claim accumulated Government benefits of a legally incompetent veteran. Rogers (R Mass.) motion to recommit the bill. Agreed to 191-161 (D 121-67; R 70-94), July 12, 1957. The President did not take a position on the motion. (See story, p. 855)

KEY

- | | |
|---|---|
| Y Record Vote For (yea).
✓ Announced For, Paired For, CQ Poll For.
- Not a Member when vote was taken. (Also used for Speaker, who is eligible but usually does not vote.) | N Record Vote Against (no).
X Announced Against, Paired Against, CQ Poll Against.
? Absent, General Pair "Present," Did not announce or answer Poll. |
|---|---|

TOTAL			DEMOCRATIC			REPUBLICAN		
Vote No.	52		Vote No.	52		Vote No.	52	
Yea	191		Yea	121		Yea	70	
Nay	161		Nay	67		Nay	94	

52	52	52	52
ALABAMA	Los Angeles County	IDAHO	IOWA
3 Andrews (D) Y	23 Doyle (D) N	4 Flynt (D) Y	4 Adair (R) N
1 Boykin (D) N	19 Holifield (D) Y	3 Forrester (D) Y	5 Beamer (R) ?
7 Elliott (D) Y	17 King (D) Y	9 Landrum (D) Y	7 Bray (R) Y
2 Grant (D) Y	26 Roosevelt (D) Y	2 Pilcher (D) Y	11 Brownson (R) N
9 Huddleston (D) Y	21 Hiestand (R) N	1 Preston (D) Y	2 Halleck (R) N
8 Jones (D) Y	25 Hillings (R) N	6 Vinson (D) ?	6 Harden (R) Y
5 Roins (D) Y	22 Holt (R) N	1 Post (D) N	10 Harvey (R) N
4 Roberts (D) Y	18 Hosmer (R) N	2 Budge (R) N	3 Nimitz (R) N
6 Selden (D) Y	16 Jackson (R) N	ILLINOIS	9 Wilson (R) N
	24 Lipscomb (R) N	25 Gray (D) Y	6 Coad (D) Y
2 Udall (D) N	15 McDonough (R) ?	21 Mock (D) Y	5 Cunningham (R) Y
1 Rhodes (R) N	20 Smith (R) N	24 Price (D) Y	3 Gross (R) Y
ARKANSAS	COLORADO	KANSAS	KENTUCKY
1 Gathings (D) Y	4 Aspinall (D) N	16 Allen (R) N	4 Cheif (D) Y
4 Harris (D) N	1 Rogers (D) Y	17 Arends (R) N	1 Gregory (D) ?
5 Hays (D) ?	3 Chenoweth (R) Y	19 Chiperefield (R) ?	2 Natcher (D) Y
2 Mills (D) N	2 Hill (R) Y	14 Keeney (R) Y	7 Perkins (D) Y
6 Norrell (D) N		15 Mason (R) X	5 Spence (D) Y
3 Trimble (D) Y	3 Creteella (R) Y	18 Michel (R) N	6 Watts (D) Y
CALIFORNIA	CONNECTICUT	Chicago-Cook County	LOUISIANA
2 Engle (D) N	1 May (R) X	20 Simpson (R) N	3 Robison (R) Y
14 Hogen (D) Y	4 Morano (R) N	22 Springer (R) Y	8 Siler (R) N
11 McFall (D) N	5 Patterson (R) ?	23 Vursell (R) N	2 Scrivner (R) ?
8 Miller (D) Y	AL Sadlak (R) X	7 Bowler (D) ?	6 Smith (R) N
3 Moss (D) Y	2 Seely-Brown (R) Y	12 Boyle (D) Y	KENTUCKY
29 Sound (D) Y	DELAWARE	1 Dawson (D) ?	4 Cheif (D) Y
5 Shelley (D) ?	AL Haskell (R) Y	8 Gordon (D) Y	1 Gregory (D) ?
27 Sheppard (D) X	FLORIDA	5 Kluczynski (D) N	2 Natcher (D) Y
12 Sisk (D) N	2 Bennett (D) Y	6 O'Brien (D) Y	7 Perkins (D) Y
7 Allen (R) N	4 Foscell (D) N	2 O'Hara (D) Y	5 Spence (D) Y
6 Baldwin (R) Y	7 Haley (D) N	9 Yates (D) Y	6 Watts (D) Y
10 Gubser (R) N	5 Harlong (D) Y	3 Byrne (R) N	3 Robison (R) Y
4 Milliard (R) ?	8 Matthews (D) N	13 Church (R) Y	8 Siler (R) N
1 Scudder (R) N	6 Rogers (D) N	10 Collier (R) Y	LOUISIANA
13 Teague (R) N	3 Sikes (D) Y	4 McVey (R) N	2 Beggs (D) Y
28 Utz (R) N	1 Cramer (R) Y	11 Sheehan (R) N	4 Brooks (D) N
30 Wilson (R) N	8 Blitch (D) ?	INDIANA	1 Hebert (D) N
9 Younger (R) N	10 Brown (D) Y	8 Denton (D) N	8 Long (D) N
	5 Davis (D) Y	1 Madden (D) Y	

CQ House Vote 52.

(Corresponding to Congressional Record
Roll-Call Vote No. 142.)

	52		52		52		52	
6 Morrison	(D) X	NEBRASKA	2 Cunningham (R) Y	5 Scott (D) X	6 McMillan (D) Y			
5 Passman	(D) Y	3 Harrison (R) N	12 Shuford (D) N	2 Riley (D) ?	2 Riley (D) ?			
7 Thompson	(D) N	4 Miller (R) N	11 Whitener (D) N	1 Rivers (D) ?	1 Rivers (D) ?			
3 Willis	(D) Y	1 Weaver (R) N	10 Jonas (R) N					
MAINE		NEVADA						
2 Coffin	(D) Y	AL Boring (D) Y	5 Scott (D) X	6 McMillan (D) Y				
1 Hale	(R) Y	1 Merrow (R) Y	12 Shuford (D) N	2 Riley (D) ?				
3 McIntire	(R) Y	11 Addonizio (D) ✓	11 Whitener (D) N	1 Rivers (D) ?				
MARYLAND		NEW HAMPSHIRE	10 Rodino (D) ✓					
4 Fallon	(D) Y	13 Sieminski (D) Y	10 Jonas (R) N					
7 Friedel	(D) N	4 Thompson (D) Y	14 Ayres (R) N					
3 Garmatz	(D) Y	3 Auchincloss (R) N	13 Baumhart (R) N					
5 Lankford	(D) Y	8 Canfield (R) N	8 Bettis (R) N					
2 Devereux	(R) N	14 Delay (R) N	22 Bolton (R) Y					
6 Hyde	(R) Y	6 Dwyer (R) N	16 Bow (R) ?					
1 Miller	(R) ?	5 Frelinghuysen (R) ?	7 Brown (R) N					
MASSACHUSETTS		2 Vacancy	5 Clevenger (R) N					
2 Boland	(D) N	12 Kean (R) N	11 Dennison (R) Y					
4 Donohue	(D) Y	9 Osmers (R) Y	15 Henderson (R) Y					
7 Lane	(D) Y	7 Widnall (R) N	2 Hess (R) N					
8 Macdonald	(D) Y	1 Wolverton (R) Y	10 Jenkins (R) N					
12 McCormick	(D) N	NEW MEXICO	4 McCulloch (R) Y					
11 O'Neill	(D) Y	30 O'Brien (D) ?	17 McGregor (R) Y					
3 Philbin	(D) Y	3 Becker (R) ✓	23 Minshall (R) N					
6 Bates	(R) N	37 Cole (R) N	3 Schenck (R) Y					
10 Curtis	(R) Y	2 Derouin (R) ?	1 Scherer (R) ?					
1 Heseltion	(R) Y	26 Dooley (R) ?	12 Vorys (R) Y					
14 Martin	(R) Y	27 Gwin (R) ?	OKLAHOMA					
9 Nicholson	(R) Y	32 Kearney (R) ?	3 Albert (D) N					
5 Rogers	(R) Y	38 Keating (R) Y	2 Edmondson (D) ?					
13 Wigglesworth	(R) Y	33 Kilburn (R) X	5 Jarman (D) N					
MICHIGAN		40 Miller (R) Y	6 Morris (D) Y					
12 Bennett	(R) Y	39 Ostertag (R) Y	4 Steed (D) N					
8 Bentley	(R) N	42 Fillion (R) Y	1 Belcher (R) N					
18 Broomfield	(R) N	43 Reed (R) Y	OREGON					
10 Cederberg	(R) N	35 Riehman (R) Y	3 Green (D) Y					
6 Chamberlain	(R) N	28 St. George (R) Y	4 Porter (D) Y					
5 Ford	(R) N	36 Taber (R) N	2 Ullman (D) Y					
9 Griffin	(R) ?	31 Taylor (R) ?	1 Norblad (R) N					
4 Hoffman	(R) N	1 Wainwright (R) ?	PENNSYLVANIA					
3 Johansen	(R) ✓	29 Wharton (R) ?	25 Clark (D) ?					
11 Knox	(R) Y	34 Williams (R) N	28 Eberhardt (D) ?					
7 McIntosh	(R) N	New York City	11 Flood (D) Y					
2 Meader	(R) N	8 Anfuso (D) ✓	30 Holland (D) Y					
Detroit-Wayne County		24 Buckley (D) ✓	21 Kelley (D) N					
13 Diggs	(D) ?	11 Cellar (D) ?	26 Morgan (D) Y					
15 Dingell	(D) Y	7 Delaney (D) ✓	14 Rhodes (D) Y					
17 Griffiths	(D) N	23 Dolinger (D) ✓	15 Walter (D) Y					
16 Lesinski	(D) N	19 Farbstein (D) ?	17 Bush (R) N					
1 Machrowicz	(D) N	22 Healey (D) ?	10 Corrigan (R) N					
14 Rabaut	(D) Y	6 Holtzman (D) ✓	29 Corbett (R) Y					
MINNESOTA		10 Kelly (D) Y	8 Curtin (R) Y					
8 Blomk	(D) Y	9 Keogh (D) ✓	9 Dague (R) N					
9 Knutson	(D) Y	13 Multer (D) ✓	12 Fenton (R) Y					
6 Marshall	(D) Y	16 Powell (D) ?	27 Fulton (R) Y					
4 McCarthy	(D) Y	14 Rooney (D) Y	23 Gavin (R) Y					
3 Wier	(D) N	18 Santangelo (D) Y	7 James (R) X					
7 Andersen	(R) ?	20 Teller (D) ?	24 Kearns (R) X					
1 Andresen	(R) Y	21 Zelenko (D) ?	13 McConnell (R) N					
5 Judd	(R) Y	5 Bosch (R) ?	16 Mumma (R) ?					
2 O'Hara	(R) Y	17 Couder (R) ?	22 Saylor (R) N					
MISSISSIPPI		12 Dorn (R) Y	18 Simpson (R) ?					
1 Abernethy	(D) N	25 Fino (R) ?	19 Stauffer (R) N					
6 Colmer	(D) Y	4 Latham (R) ?	20 Van Zandt (R) Y					
3 Smith	(D) Y	14 Leinen (R) Y	Philadelphia					
2 Whitten	(D) Y	15 Ray (R) Y	1 Barrett (D) Y					
4 Williams	(D) Y	NORTH CAROLINA	3 Byrne (D) ?					
5 Winstead	(D) Y	9 Alexander (D) Y	4 Chudoff (D) ?					
MISSOURI		3 Barden (D) N	2 Granahan (D) N					
5 Bolling	(D) ?	1 Bonner (D) N	5 Green (D) ?					
7 Brown	(D) Y	4 Cooley (D) N	6 Scott (R) ?					
9 Cannon	(D) Y	6 Durham (D) N	RHODE ISLAND					
8 Carnehan	(D) N	2 Fountain (D) Y	2 Fogarty (D) ?					
4 Christopher	(D) Y	8 Kirchin (D) Y	1 Forand (D) Y					
6 Hull	(D) N	7 Lennon (D) Y	SOUTH CAROLINA					
10 Jones	(D) N		4 Ashmore (D) Y					
1 Karsten	(D) Y		3 Dorn (D) N					
11 Moulder	(D) X		5 Hemphill (D) Y					
3 Sullivan	(D) Y		WYOMING					
2 Curtis	(R) N		AL Thomson (R) N					
MONTANA								
2 Anderson	(D) ?							
1 Metcalf	(D) Y							

CQ Senate Votes 66 through 67.

(No Congressional Record Roll-Call Vote Numbers.)

Knowland Motion to Consider Civil Rights Bill Carries; Morse Motion to Send Bill to Committee for 7 Days Fails

66. HR 6127. The Civil Rights Act of 1957. Knowland (R Calif.) motion to consider the bill. Agreed to 71-18 (D 29-18; R 42-0), July 16, 1957. A "yea" was a vote supporting the President's position. (See story, p. 854)

67. HR 6127. Morse (D Ore.) motion to refer the bill to the Senate Judiciary Committee with instructions to report the bill in seven days, with or without committee amendments. Rejected 35-54 (D 31-16; R 4-38), July 16, 1957. The President took no position on the motion. (See story, p. 854)

KEY

Y Record Vote For (yea).

✓ Announced For, Paired For, CQ Poll For.

- Not a Member when vote was taken.

N Record Vote Against (nay).

X Announced Against, Paired Against, CQ Poll Against.

? Absent, General Pair, "Present," Did not announce or answer Poll.

Vote No.	TOTAL		Vote No.	DEMOCRATIC		Vote No.	REPUBLICAN	
	66	67		66	67		66	67
Yea	71	35	Yea	29	31	Yes	42	4
Nay	18	54	Nay	18	16	Nay	0	38

	66	67		66	67		66	67		66	67
ALABAMA			IOWA			NEBRASKA			RHODE ISLAND		
Hill (D)	N	Y	Hickenlooper (R)	Y	N	Curtis (R)	Y	Y	Green (D)	Y	N
Sparkman (D)	N	Y	Martin (R)	Y	N	Fruska (R)	Y	N	Pastore (D)	Y	N
ARIZONA			KANSAS			NEVADA			SOUTH CAROLINA		
Hayden (D)	Y	Y	Carlson (R)	Y	N	Bible (D)	Y	Y	Johnston (D)	N	Y
Goldwater (R)	Y	N	Schoeppel (R)	✓	X	Malone (R)	Y	Y	Thurmond (D)	N	Y
ARKANSAS			KENTUCKY			NEW HAMPSHIRE			SOUTH DAKOTA		
Fulbright (D)	N	Y	Cooper (R)	Y	N	Bridges (R)	?	?	Case (R)	Y	N
McClellan (D)	N	Y	Morton (R)	Y	N	Cotton (R)	Y	N	Mundt (R)	Y	Y
CALIFORNIA			LOUISIANA			NEW JERSEY			TENNESSEE		
Knowland (R)	Y	N	Ellender (D)	N	Y	Case (R)	Y	N	Gore (D)	Y	Y
Kuchel (R)	Y	N	Long (D)	N	Y	Smith (R)	Y	N	Kefauver (D)	Y	Y
COLORADO			MAINE			NEW MEXICO			TEXAS		
Carroll (D)	Y	N	Payne (R)	✓	X	Anderson (D)	Y	N	Yarborough (D)	Y	YY
Allott (R)	Y	N	Smith (R)	Y	N	Chavez (D)	Y	N	Johnson (D)	Y	Y
CONNECTICUT			MARYLAND			NEW YORK			UTAH		
Bush (R)	Y	N	Beall (R)	Y	N	Ives (R)	Y	N	Bennett (R)	Y	N
Purtell (R)	Y	N	Butler (R)	Y	N	Javits (R)	Y	N	Watkins (R)	Y	N
DELAWARE			MASSACHUSETTS			NORTH CAROLINA			VERMONT		
Frear (D)	Y	Y	Kennedy (D)	Y	N	Ervin (D)	N	Y	Aiken (R)	Y	N
Williams (R)	Y	Y	Saltonstall (R)	Y	N	Scott (D)	N	Y	Flanders (R)	Y	N
FLORIDA			MICHIGAN			NORTH DAKOTA			VIRGINIA		
Holland (D)	N	Y	McNamara (D)	Y	N	Longer (R)	Y	N	Byrd (D)	N	YY
Smathers (D)	N	Y	Potter (R)	Y	N	Young (R)	?	?	Robertson (D)	N	Y
GEORGIA			MINNESOTA			OHIO			WASHINGTON		
Russell (D)	N	Y	Humphrey (D)	Y	N	Lausche (D)	Y	N	Jackson (D)	Y	N
Talmadge (D)	N	Y	Thye (R)	Y	N	Bricker (R)	Y	N	Magnuson (D)	Y	N
IDaho			MISSISSIPPI			OKLAHOMA			WEST VIRGINIA		
Church (D)	Y	N	Eastland (D)	N	Y	Kerr (D)	Y	Y	Neely (D)	Y	N
Dworschak (R)	Y	N	Stennis (D)	N	Y	Monroney (D)	Y	Y	Revercomb (R)	Y	N
ILLINOIS			MISSOURI			OREGON			WISCONSIN		
Douglas (D)	Y	N	Hennings (D)	✓	X	Morse (D)	Y	Y	Vacancy		
Dirksen (R)	Y	N	Symington (D)	Y	N	Neuberger (D)	Y	N	Wiley (R)	Y	N
INDIANA			MONTANA			PENNSYLVANIA			WYOMING		
Capehart (R)	Y	N	Mansfield (D)	Y	Y	Clark (D)	✓	X	O'Mahoney (D)	Y	Y
Jenner (R)	Y	N	Murray (D)	Y	Y	Martin (R)	Y	N	Barrett (R)	Y	N

OIL CONCESSIONS HIT, BUT ACTION UNLIKELY

Criticism of long-standing tax concessions to the oil industry -- estimated by one critic as costing the Government \$1.5 billion in taxes yearly -- started almost with the crack of the gavel in the 85th Congress.

The Senate Judiciary Antitrust and Monopoly Subcommittee and a Senate Interior and Insular Affairs Public Lands Subcommittee in January began an investigation into oil shipments for Europe. It highlighted tax concessions to United States oil companies operating abroad before its probe ended in mid-April. A report on its findings is being prepared. A new investigation is underway into foreign oil tax concessions by the Senate Finance Committee, at the request of Sen. Joseph C. O'Mahoney (D Wyo.), who headed the earlier Judiciary probe. Tax concessions to domestic oil and gas operators also were attacked in March, when the Senate passed legislation extending corporate and excise taxes. (Weekly Report, p. 390)

Action Congress May Take

Any action by Congress probably will be limited to foreign operators, according to a survey by Congressional Quarterly. Congressional actions directed or likely to be directed at oil and gas tax concessions include:

- 1. The Senate Finance Committee will complete an investigation into tax concessions to U.S. corporations producing and distributing foreign oil. At O'Mahoney's request, the Committee is looking into possible tax avoidance by the Arabian-American Oil Co. (Aramco) and other foreign oil operators owned totally or partially by U.S. oil companies.

- 2. The Senate Finance Committee may follow the suggestion of retiring Secretary of Treasury George M. Humphrey and seconded by Sen. Clinton P. Anderson (D N.M.) to study the whole question of depletion allowances granted the extractive industries, including oil and gas.

- 3. O'Mahoney, Sens. Estes Kefauver (D Tenn.) and John A. Carroll (D Colo.), who participated in the foreign oil probe, and Rep. Charles A. Vanik (D Ohio) say they will continue to attack tax concessions abroad.

- 4. Sens. John J. Williams (R Del.) and Paul H. Douglas (D Ill.) plan to offer amendments to the next tax bill that comes before the Senate to cut back the percentage depletion allowance on both foreign and domestic oil operators. The Williams amendment will be in line with a bill (S 1316) regularly introduced by Williams and Sens. George D. Aiken (R Vt.), Margaret Chase Smith (R Maine) and William A. Purtell (R Conn.). They would cut back percentage depletion allowances for oil and gas from 27½ percent to 15 percent. Douglas plans to offer an amendment cutting back percentage depletion to 15 percent on large petroleum operators. Carroll may sponsor an amendment limiting oil and gas depletion allowances to U.S. companies operating in the Western Hemisphere. Williams and Douglas offered similar amendments to the corporate and excise tax extension bill on March 27, but were unable to get even a roll-call vote. (Weekly Report, p. 390)

- 5. A discharge petition may be circulated in the House to force action on legislation to cut back oil and gas depletion allowances. Vanik, Rep. John W. Heselton (R Mass.) and Rep. Henry S. Reuss (D Wis.) are sponsoring bills (HR 4395, 5253, 7634) to cut back the oil and gas percentage depletion to 15 percent (HR 4395) and 5 percent (HR 5253, 7634). The bills are dormant.

Uphill Battle

Congressmen who set out to cut depletion allowance rates face an uphill battle. All tax legislation must originate in the House Ways and Means Committee which has steadfastly opposed any reduction. The Committee withheld all the pressure of the Truman Administration in 1950 to close what Truman called these "tax loopholes." President Eisenhower May 22 told his press conference he thought the oil depletion allowance was necessary to provide incentive, but said some changes might be necessary to prevent any unfair advantage being taken. (Weekly Report, p. 623)

Opponents of the 27½ percent depletion allowance for oil and gas diminish their effectiveness by having no central target. O'Mahoney and Carroll, representing states with large oil and gas fields, oppose tax concessions to foreign oil operations, including the foreign tax credit. With small oil operations in Illinois, Douglas favors restrictions on the depletion allowance for large operators, but he does not oppose the 27½ percent rate for the small independent.

Williams, Aiken, Purtell, Vanik, Heselton and Mrs. Smith, all from consuming areas, favor a across-the-board reduction. Williams, however, defends the foreign tax credit extended to all U.S. corporations operating abroad, including many incorporated in Delaware.

Rayburn, Johnson Oppose Change

Critics of tax concessions to oil and gas industries face opposition from House Speaker Sam Rayburn (D Texas) and Senate Democratic Leader Lyndon B. Johnson (D Texas), the top Congressional leaders. Secretary Humphrey testified March 19 that depletion allowances should be "studied," but it was his "curb-stone" opinion that the 27½ percent rate for oil and gas seemed "about right."

Humphrey will be succeeded as Treasury Secretary by Robert B. Anderson, who as Deputy Secretary of Defense and as Secretary of Navy, indicated he favored current rates. Anderson has headed a mining company which benefits from percentage depletion allowances on metals and minerals.

Douglas March 27 estimated the loss in taxes due to percentage depletion was running at the rate of \$1.5 billion annually. The Treasury Department says it has no total figures on the sum claimed in percentage depletion in excess of cost depletion since the 1926 law went into effect.

DEPLETION ALLOWANCE PART OF 1913 INCOME TAX LAW

The 16th Amendment to the Constitution, proclaimed in 1912, permitted the Federal Government to impose an income tax. Congress enacted an income tax law to become effective on March 1, 1913, with rates graduated from 1 percent to 7 percent. Since this was a tax on income and not on capital, Congress provided in the tax legislation for a reasonable allowance for depletion, not to exceed 5 percent of gross income, for wasting mineral assets, including mines, oil and gas wells. This was later changed to a specific cost depletion allowance based on the cost or the 1913 value of the property.

Discovery value depletion was introduced as an alternative to cost depletion in 1918 and repealed in 1954. It was granted by Congress to stimulate mineral exploration for war purposes and to lessen tax burdens on prospectors, usually of limited means, who made discoveries of ore after years of fruitless search. Discovery depletion deductions permitted the discoverer of any new mineral deposit to recoup not only his costs but also the materially larger appreciated value of the property immediately after discovery. This was the first allowance in tax law for depletion in excess of cost.

For example, if land on which \$1 had been spent prior to the discovery of oil or ore was worth \$10 after the discovery, the prospector was permitted a tax-free recovery of \$10 of discovery value rather than \$1 of cost value.

In 1921 Congress limited the annual discovery depletion to the amount of net income from the mineral property because of the large discovery depletion deductions being used to offset other income. In 1924 Congress lowered discovery depletion to 50 percent of net income.

By that time discovery depletion was coming under heavy criticism from the Bureau of Internal Revenue and Congress. The Bureau was having administrative difficulties with the provision, particularly in determining what constituted a discovery and how to determine a "discovery value." In 1925 the Solicitor of the Bureau of Internal Revenue strongly urged Congress to change the law.

Congressional Changes

Percentage depletion first appeared in 1926 instead of discovery depletion. Congress worked out a simplified system based on gross income. The House fixed oil and gas percentage depletion at 25 percent; the Senate at 30 percent. The difference was split in conference. The 1926 Revenue Act for the first time gave oil and gas producers the privilege of charging off, for tax purposes, an amount equal to 27½ percent of gross sales from crude production, not to exceed 50 percent of net income. This basic law still stands. But it was not adopted by Congress without misgivings by some Congressional critics that the major benefit would go to the big oil companies rather than to wildcatters looking for oil strikes.

In 1932 percentage depletion was extended to coal, metals and sulfur. Later other minerals and metals, including uranium, were included in the percentage depletion provision, but they were eliminated from discovery depletion.

Congress has tended to extend depletion allowances during wartime when the need to stimulate mineral exploration and production is great. Wartime percentage depletion rates authorized by Congress in 1942 and 1944 expired on some minerals and metals in 1946. But in

1947 most of the minerals and metals received a permanent depletion allowance at the same rate. Since then virtually all minerals have obtained a permanent percentage depletion, even though some rates are low. The percentage on a number of strategic and critical minerals also has been increased. (For rates, see p. 862)

Efforts to Decrease Allowance

Until 1953 the Treasury Department was often critical of percentage depletion, primarily because of the loss in tax revenue. It directed its attack principally against the 27½ percent allowance for oil and gas.

In 1950 the Truman Administration asked Congress to cut back oil and gas depletion allowances from 27½ percent to 15 percent; sulfur from 23 percent to 15 percent; non-metallics such as bauxite, clay and potash from 15 percent to 5 percent.

In his 1950 State of the Union message, President Truman said, "I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions enjoyed by the oil and mining interests." Treasury Secretary John W. Snyder told the Senate Finance Committee that high depletion rates artificially spurred unneeded production of some metals and minerals and required the non-extractive industry to pay more taxes to enable the Government "to recoup the tax leakage from percentage depletion." Neither the House Ways and Means Committee nor the Senate Finance Committee approved the Truman Administration's recommendations in 1950.

Truman unsuccessfully renewed his request to cut percentage depletion allowances in 1951. Congress ignored his plea and increased the depletion allowance on coal from 5 percent to 10 percent, and some metals were given higher allowances. Other resources, including sand, gravel, shale, marble, oyster and clam shells, received 5 percent depletion allowances for the first time. Further extensions of the allowance were voted in 1954.

Sens. Hubert H. Humphrey (D Minn.) and Paul H. Douglas (D Ill.) in 1951 introduced four amendments to reduce or eliminate depletion allowances. All failed, including an amendment by Humphrey to reduce allowances for metal mines to 5 percent; sulfur, oil and gas to 15 percent. The Humphrey amendment was rejected by a roll-call vote of 9-71. Those who voted for it were William Benton (D Conn.), John J. Williams (R Del.), Douglas, Blair Moody (D Mich.), Humphrey, Herbert H. Lehman (D N.Y.), Theodore Francis Green (D R.I.), John O. Pastore (D R.I.) and Estes Kefauver (D Tenn.). (1951 Almanac, p. 429)

In 1954 two similar amendments were rejected. One, by Williams, Lehman and Sen. George D. Aiken (R Vt.) to cut oil and gas from 27½ percent to 15 percent, was voted down by voice vote. Douglas offered a substitute to the Williams amendment which was rejected by a standing vote. It would have permitted the full 27½ percent depletion allowance when taxable income from all oil and gas property did not exceed \$1 million; reduced the allowance rate to 21 percent where such income exceeded \$1 million but not \$5 million; reduced the rate to 15 percent when such income exceeded \$5 million. (1954 Almanac, p. 488) In 1957 Williams and Douglas again offered similar amendments that were rejected by voice vote. (Weekly Report, p. 390)

WHAT ARE PERCENTAGE, COST DEPLETION ALLOWANCES?

Deductions for depletion have been permitted since 1913 in determining taxable income derived from the production of irreplaceable natural resources such as oil, gas and minerals. The underlying theory of the depletion allowance is that at least part of the receipts from the use of natural resources is a return of money that was used in acquiring or developing the property and should be exempt from income taxation.

Under the 1954 tax code both percentage depletion and the older cost depletion are allowed.

Percentage Depletion Most Used

- **PERCENTAGE DEPLETION** -- This is the best known, most used and most controversial type of depletion allowance. Under this provision, the income tax payer having a depletable economic interest in an oil or gas well or a mine may deduct from 5 to 27½ percent of the gross income from the property, not exceeding 50 percent of the net income. Rents and royalties paid are excluded in determining gross income. Net income is computed without allowance for depletion. (See next page for percentage depletion rates.)

Percentage depletion is based on income from a mineral property rather than on actual investment costs. Unless income is realized on the property, the percentage depletion allowance cannot be claimed. But since the allowance is based on income rather than on wasting assets or actual investment costs, it continues to be deductible for income tax purposes even after 100 percent

Computing Percentage Depletion

Assume XYZ Co. acquires a lease on oil property for \$10,000. Drilling the oil well cost \$50,000. Annual production is 5,000 barrels. Estimated reserves are 100,000 barrels. Posted field price is \$2.80 a barrel. Expenses on the property total \$8,000. Gross income is \$14,000.

Gross income -- \$14,000 -- is calculated by multiplying the annual production by the posted field price, i.e., 5,000 barrels at \$2.80 a barrel equals \$14,000. Net income equals \$6,000 -- \$14,000 less \$8,000 expenses.

Percentage depletion is 27½ percent of gross income: \$14,000 multiplied by 27½ percent equals \$3,850. But the deduction for percentage depletion may not be more than 50 percent of net income which is \$6,000. Fifty percent of \$6,000 is \$3,000, the total that may be deducted in this instance under percentage depletion.

By court ruling, the percentage deduction cannot be less than cost depletion. (See next column) Cost depletion in this case equals \$500. (The leasehold cost of \$10,000 divided by the reserves of 100,000 barrels, making a unit cost of 10 cents a barrel. As 5,000 barrels were produced in the taxable year, cost depletion is 5,000 barrels multiplied by 10 cents, or \$500.)

As the \$3,000 computed by percentage depletion is higher than the \$500 deduction computed by cost depletion, the higher deduction is claimed for tax purposes.

This example points up that often the full 27½ percent depletion rate on oil and gas cannot be claimed. It is the maximum rate. Usually when production costs are high the maximum rate cannot be claimed.

of the investment capital has been returned tax-free. In all cases percentage depletion can be claimed by an American taxpayer on foreign as well as domestic mineral deposits.

- **COST DEPLETION** -- Under this method an owner of oil or gas wells, mines or timber may recover the cost of his investment in depletable property. Unlike percentage depletion, cost depletion is based upon the taxpayer's actual investment. Cost depletion deductions are exhausted when the costs are recovered. Cost depletion is an alternative form of determining depletion allowance in the extractive industries. In order to determine the cost depletion allowance, the adjusted basis of the oil or mineral deposit -- the total unrecovered depletable cost -- must first be ascertained.

How to compute cost depletion: Assume an operator owns an oil and gas lease, for which he has paid \$4 million. The operator estimates recoverable oil reserves to be 400,000 barrels, of which 20,000 barrels are sold in the first year. He divides \$4 million by 400,000 barrels, multiplies by 20,000 barrels and gets a \$200,000 allowance for cost depletion.

Must Claim One

In any taxable year, a taxpayer must claim percentage depletion or cost depletion, whichever is larger. If he claims cost depletion one year, he can switch to percentage depletion the next year, if that proves to be profitable tax wise.

But percentage depletion reduces the basis for cost depletion. In the case of the more valuable properties, percentage depletion will result in more favorable treatment to the taxpayer than cost depletion. It is therefore more often claimed. But if the cost of a lease is high or there are other high overhead costs, cost depletion -- rather than percentage depletion -- might result in the higher allowance.

The Board of Tax Appeals has held in Producers Oil Corp. vs. Commissioner of Internal Revenue that a computation of both methods must be made to determine which results in the higher allowance. The Board held this was mandatory because the larger depletion serves to reduce the remaining basis of depletable costs and to increase a taxable gain or reduce the tax-reducing loss from sale or other disposition of the property.

Courts have held that a depletion allowance will be granted to a taxpayer with a capital or economic interest in the oil or ore in place providing he has an enforceable contract right to share in the production of the deposit. He may be a lessor with a royalty interest, a lessee, an heir, legatee or devisee of an estate with income in oil, gas and mining properties. The right to depletion is not limited to a taxpayer who has made an investment in a property. A lessee who has acquired a lease without cost is entitled to depletion. But a stockholder cannot claim a depletion allowance.

Depletion allowances must be claimed on individual property. Under the 1954 code the term "property" means each separate interest owned by the taxpayer in each mineral deposit in each separate tract or parcel of land. But two or more separate operating mineral interests which constitute one operating unit may be considered one property.

Rates of Percentage Depletion

The rates of percentage depletion that may be claimed for extracting natural deposits are as follows:

1. 27½ percent -- Oil and gas wells.
2. 23 percent -- Sulfur and uranium; and, if mined in the U.S., anorthosite, asbestos, bauxite, beryl, celestite, chromite, corundum, fluorspar, graphite, ilmenite, kyanite, mica, olivine, quartz crystals (radio grade), rutile, block steatite talc, zircon; also ores of these metals: antimony, bismuth, cadmium, cobalt, columbium, lead, lithium, manganese, mercury, nickel, platinum and platinum group metals, tantalum, thorium, tin, titanium, tungsten, vanadium and zinc.
3. 15 percent -- Ball clay, bentonite, china clay, sagger clay, metal mines not included above, rock asphalt, vermiculite.
4. 10 percent -- Asbestos not included above, brucite, coal, lignite, perlite, sodium chloride, wollastonite.
5. 5 percent -- Brick and tile clay, gravel, mollusk shells including clam shells and oyster shells, peat, pumice, sand, scoria, shale, stone except that provided for below; from brine wells: bromine, calcium chloride, magnesium chloride.
6. 15 percent -- Minerals listed in paragraph 2 above if produced outside of U.S. and all other minerals including but not limited to aplite, barite, borax, calcium carbonates, refractory and fire clay, diatomaceous earth, dolomite, feldspar, fullers earth, garnet, gilsonite, granite, limestone, magnesite, magnesium carbonates, marble, phosphate rock, potash, quartzite, slate, soapstone, stone used as dimension stone or as ornamental stone, thenardite, tripoli, trona; and if not provided for above, bauxite, beryl, flake graphite, fluorspar, lepidolite, mica, spodumene, talc including pyrophyllite.
7. Minerals sold for use as rip rap, ballast, road materials, rubble, concrete aggregates or for similar purposes receive a 5 percent depletion allowance. No percentage depletion is provided for soil, sod, dirt, turf, water, mosses or minerals from sea water or the air.

Other Tax Benefits

In addition to depletion allowances, the 1954 tax code provides for other tax benefits for the extractive industries or affecting the industries, including:

● INTANGIBLE DRILLING AND DEVELOPMENT COSTS -- The operator who holds a working or operating interest as owner or lessee to develop an oil and gas property has the option to capitalize or write off against gross income his intangible drilling and development costs. This includes work done by contractors. The option extends to expenditures made by an operator for wages, fuel, repairs, hauling, and supplies incident to and necessary for drilling wells and preparing wells to produce oil or gas.

He must capitalize geological and geophysical expenditures made to acquire or retain his oil properties. If he elects to capitalize all intangible drilling and development costs he can recover the value through depreciation allowances and he may deduct as an ordinary loss costs incurred in developing non-productive wells. His only deduction in the event he capitalizes is the depletion allowance.

Since percentage depletion has no relation to the actual costs of the property, it is almost always more

profitable for the operator to deduct as an expense from gross income his intangible drilling and development costs. He thus writes them off as an expense and also gets the depletion allowance. Critics of depletion hold that this is in effect a double allowance for the same expenditure.

● MINE EXPLORATION AND DEVELOPMENT COSTS -- On mining properties, operators either may capitalize or write off certain mine exploration and development costs. A mine operator has the option to write off currently, or as deferred expense, money spent to determine the existence, location, extent or quality of any ore or mineral deposits and costs incurred in building shafts, tunnels, raises, stripping and draining and other items attributable to developing mines or deposits until they are in full production. Exploration expenditures, however, are limited to \$100,000 a year for not more than four years. The depletion allowance is deductible in addition to these writeoffs. Special subsidies also are provided to uranium miners, and the Government provides loans and grants to spur exploration of strategic minerals, which are excluded from taxable income.

● TIMBER AND COAL -- A taxpayer owning timber or holding cutting rights to timber may treat the proceeds from cutting as capital gains providing he owned the timber for a six-month period prior to the beginning of the taxable year. A taxpayer owning timber or coal for a six-month period prior to its disposal and who retains an economic interest in the coal deposit or timber acreage after its disposal may treat the royalties received as capital gains. If a net loss results, it may be treated as an ordinary loss.

Holders of coal royalties who elect to take capital gains are not then entitled to the 10 percent depletion on coal. This permits the taxpayer not only to recover his business investment tax-free but exempts him from paying a tax in excess of 25 percent on any profit he derives from it. Profits from sales of Christmas trees likewise are eligible for capital gains provided the trees are more than six years old.

● OVERSEAS OPERATIONS -- U.S. citizens or corporations including taxpayers engaged in the extractive industries subject to foreign income taxes may deduct from their gross income the full amount of foreign taxes paid. Or they may take a credit against their U.S. income tax liabilities for income, war profits or excess profits taxes paid to a foreign country. This has three ramifications:

1. U.S. oil corporations operating in the Middle East have agreed to the imposition of foreign income taxes in lieu of royalties, thereby virtually wiping out their tax liability to the U.S.

2. The tax credit abroad has greater value than a tax deduction in this country. A domestic taxpayer can deduct state income taxes from his Federal income tax.

A \$100 state tax, for example, is deducted from a taxable income of \$1,000, leaving \$900 taxable by the Federal Government. But if a foreign government should levy a 10 percent tax on a \$1,000 income of a U.S. citizen, the foreign tax is credited against the U.S. tax liability, thereby greatly reducing the amount owed in taxes to the Federal Government.

3. All domestic corporations doing practically all their business in the Western Hemisphere, including oil and mining companies, receive a credit against U.S. tax liability which further reduces the tax rate by about 14 percentage points.

OIL COMPANIES' USE OF FOREIGN TAX CREDITS QUESTIONED

Since the 83rd Congress there has been increasing criticism of tax benefits extended to U.S. oil companies operating abroad. Critics question the purpose served by extending percentage depletion allowances outside the U.S. They claim this, plus the law permitting U.S. oil firms abroad to claim foreign tax credits, results in the virtual non-payment of U.S. taxes by these companies.

Currently under attack is the Saudi Arabian income tax that the Arabian-American Oil Co. (Aramco) consented to pay beginning in 1950. In 1949 Aramco paid a U.S. income tax of \$50 million. Since 1950 Saudi Arabia and Aramco have split Aramco's profits 50-50, with Aramco paying virtually all its income tax to Saudi Arabia rather than to the U.S.

The spotlight was put on the Saudi Arabian tax when the Senate Judiciary Antitrust and Monopoly Subcommittee was investigating foreign oil shipments early in 1957. The Subcommittee's interest revolved around three points: (1) Under the original terms of the concession held by Aramco in Saudi Arabia, Saudi Arabia had no right to impose an-income-tax. (2) Was the income tax a disguised royalty to benefit Aramco for U.S. tax credit purposes? (3) The Saudi Arabian tax wiped out virtually all of Aramco's U.S. tax liability.

Aramco April 22, conceding it had been "under no legal obligation to pay either additional royalty or Saudi Arabian income taxes," said it submitted to the income tax because Saudi Arabia was pressing for a more favorable division of profits from the exploitation of its oil fields. The Treasury Department in 1955 agreed that the Saudi Arabian tax could be used by Aramco as a U.S. tax credit offset.

By claiming all possible tax concessions, Aramco was able to write off expenses totalling \$452,157,849 from total earnings of \$724,370,316, and thereby retain a net

earning of \$272,212,467 in 1955. Of the expenses, \$192,742,624 went to pay the Saudi Arabian tax and \$78,461,801 to pay foreign royalties and rentals. It also claimed \$121,698,005 in percentage depletion allowance against its U.S. tax liability. (See box, this page)

Carroll March 27 said that through the use of the Saudi Arabian income tax, Saudi Arabia gets 50 percent of Aramco's profits, but the United States "not a dime." O'Mahoney, Douglas and Kefauver said they considered the 1950 Saudi Arabian income tax on Aramco a royalty disguised as a foreign tax payment. Douglas estimated it reduced U.S. taxes owed by Aramco by \$180 million a year.

Vanik April 15 said that in return for the United States underwriting an obligation, Aramco was avoiding "an income tax obligation on \$254 million of income each year." O'Mahoney April 14 asked why "companies obtaining the protection of the U.S. Government...in the Middle East should be allowed to escape all United States tax burdens."

Humphrey and Carroll March 27 said Aramco and other U.S. oil companies operating in the Middle East -- which contains about 75 percent of the world's oil -- claim a percentage depletion allowance although very little exploration is carried on. "I think the records on Aramco alone will show that because of the depletion allowance in the years 1955 and 1956 the Treasury Department lost \$100 million," Carroll said. Williams March 27 said allowable depletion totalling \$260,751,000 was claimed in 1955 by three U.S. oil companies operating abroad, on the basis of Treasury reports.

Rep. Wilbur D. Mills (D Ark.), Chairman of the Joint Economic Tax Policy Subcommittee, in December, 1955, questioned tax concessions to U.S. oil operations abroad, particularly in Latin America. "They enjoy the same depletion allowance extended to domestic producers," he noted. "In addition...in Venezuela there is a tax differential when the profits come back to the United States. It is not taxed at 52 percent" as domestic corporations are "but it is taxed at 52 less 14 percent tax differential, or 38 percent."

O'Mahoney and Robert V. Rodman, president of Anderson-Pritchard Oil Corp. of Oklahoma City, claimed the foreign tax concessions undermine the domestic oil industry by stimulating the importation of cheap foreign oil. Rodman also has criticized the tax credit as a tax "dodge" for oil importers.

Foreign Concessions Defended

Sen. Russell B. Long (D La.) March 27 defended the tax concessions to U.S. companies operating abroad. If they were reduced or eliminated and their U.S. tax burden raised, foreign countries would follow suit, he warned. Long and Williams claimed U.S. operations abroad would be at a competitive disadvantage with national operations within a given country without the foreign tax credit to prevent double taxation. There must be incentive to invest overseas, Long said, because in some areas U.S. companies "take the risk every step of the way that every bit of their investment might be confiscated." Both Iran and Mexico have nationalized foreign oil holdings in the past. Aramco April 22 said foreign oil "would go elsewhere" if U.S. companies did not hold oil concessions in Middle Eastern countries close to Russia.

Aramco vs. U.S. Company Earnings

The following table shows the 1955 taxes and net earnings of Aramco and those of a hypothetical company with the same total earnings and expenses doing business in the United States:

	Aramco Foreign Operation	Hypothetical Domestic Operation
Total earnings	\$724,370,316	\$724,370,316
Expenses less royalties	180,953,424	180,953,424
Royalties and rentals	78,461,801	191,204,425
Saudi Arabian income tax	192,742,624	-----
U.S., state, local taxes	-----	80,000,000
Total expenses	452,157,849	452,157,849
Net income before depletion	464,955,091	272,212,467
Less percentage depletion	121,698,005	81,769,859
Taxable income	343,257,086	190,442,608
Tax before foreign tax credit	178,488,186	-----
Less U.S. tax credit	192,742,624	-----
U.S. income tax	-----	99,024,656
Net earnings	272,212,467	173,187,811

THE CASE FOR CONTINUED PERCENTAGE DEPLETION ALLOWANCES

Proponents claim that percentage depletion allowances at existing rates are a needed incentive to encourage oil exploration and continued development of a strong domestic petroleum industry in the interests of national defense, the small producer, conservation, the consumer. Proponents say studies of percentage depletion prove it has worked.

The world lives, according to Rep. Frank Ikard (D Texas), in the petroleum age. Access to sources of supply is vital to national defense. If the U.S. did not have a strong domestic petroleum industry, the Nation most likely would be at war for oil in the Middle East, he told Congressional Quarterly. "Any nation which does not have access to oil and gas in this day and age is out fighting to get it. It has no alternative," Ikard said. Eighty percent of all the petroleum used in World War II came from U.S. wells, he said.

Military Demands

Lt. Gen. Ernest O. Thompson (ret.), chairman of the Texas Railroad Commission, the regulatory body for the oil and gas industry in Texas, Aug. 14, 1953, warned the House Ways and Means Committee that military demands for petroleum are greatly increasing, thereby necessitating a speed-up in exploration and development of domestic reserves. Thompson cited a letter that Robert B. Anderson, then Secretary of Navy, had written May 22, 1953, to Sen. Lyndon B. Johnson (D Texas) stating that defense needs for oil were outstripping known reserve supplies. Anderson said that "reliance must be placed on the drilling of new wells and the development of areas heretofore not fully developed rather than putting all our faith in proven reserves."

Thompson said: "A ready domestic oil supply will continue in the mind of an enemy to be one of the greatest deterrents of war. Oil is ammunition. In defense or attack oil is a primary factor.... Any reduction in the depletion allowance would be poor economy indeed.... Men venture in risky drilling largely because of the 27½ percent depletion allowance. Remove that incentive and our domestic supply of oil will shrivel, and we will become, in my opinion, dependent upon foreign oil within a very short time. Then, come war, foreign oil, of course, could be denied us." Sens. Frank Carlson (R Kan.) and Frank A. Barrett (R Wyo.) made similar arguments in favor of percentage depletion in Senate debate March 27, 1957. A ready reserve from domestic oil fields is safe from enemy submarines; imports are not, they said.

Three groups that have studied the relationship of percentage depletion to national welfare have recommended continued tax incentives at existing levels for the extractive industries. They include a Special Senate Committee Investigating Petroleum Resources which reported to the Senate Jan. 31, 1947; the Materials Policy Commission headed by William S. Paley which reported in June, 1952; and the President's Cabinet Committee on Energy Supplies, which reported in February, 1955. The Paley Commission said: "The present structure of mineral taxes includes strong and desirable incentives to explore for, develop and produce minerals of importance to the Nation's growth and security."

Human Depletion

Three Representatives believe that depletion allowances should be extended to humans. Rep. Herbert Zelenko (D N.Y.) is sponsoring a bill (HR 6912) to permit deductions for human depletion for taxpayers over 45. Reps. Alfred E. Santangelo (D N.Y.) and Patrick J. Hillings (R Calif.) are sponsoring bills (HR 7609 and HR 8022) to provide athletes with a 15 percent depletion allowance.

The Small Producer

Domestic oil exploration and discovery is becoming more risky and more costly, say percentage depletion proponents. Any lowering of the 27½ percent rate would tend to drive the small producer out of business, according to Reps. John Jarman (D Okla.), and Edgar W. Hiestand (R Calif.).

Small independents tend to concentrate in the exploratory and discovery operations, riskiest part of the business. According to the Oil and Gas Journal, in 1956 the smaller independents drilled 76.3 percent of all wells, including 82.8 percent of the wildcats (exploratory and discovery wells). Currently, only one out of 19 wildcat wells is productive. Even with percentage depletion, wildcatting has declined since 1951.

Some tax experts feel the small producer would likely sell his interest in his property after a strike if the 27½ percent rate were lowered. For it would be more profitable for him to sell under current capital gains provisions than to operate the property himself. It also would be profitable for the large corporations to buy the small producer out because the cost of the property could be written off under cost depletion. This would result in a concentration of the exploratory operations.

Increased Costs

Costs are going up for all oil operators, Carlson said March 27. Despite the use of the latest scientific equipment, nearly twice as many wells must be drilled today as a decade ago to find one-third more oil. Discovery wells are smaller in this country than they used to be. Wells must be drilled deeper, and the deeper the well the higher the cost. The average depth of wells drilled was 4,200 feet in 1948; it was 4,700 feet in 1956. But the number of net barrels of new oil reserves for each foot of hole drilled declined from 25 to 15 barrels per foot. The cost of drilling a well now averages about \$90,000 and it is rising. Eight of every nine wells drilled are dry; only one out of 43 drilled proves profitable enough to exploit. The search for oil has extended to more remote and inaccessible areas of the country, so the cost of transportation is higher.

Carlson March 27 said: "With costs continuing to rise in the present tight money market, venture capital is not easy to find for the oil business." A cutback in the percentage depletion allowance might mean that "interest of outside capital would dwindle to nothing," he said. Even the largest integrated companies would be unable to shoulder the total risks and total costs, he claimed, resulting in a cutback in domestic exploration.

(*The Case For, Continued on p. 866, Col. 1*)

CASE AGAINST CONTINUED PERCENTAGE DEPLETION ALLOWANCES

Critics of existing tax concessions to the extractive industries claim the concessions -- particularly the 27½ percent depletion allowance -- are the biggest loopholes in the tax code, mostly benefiting big established industries at the expense of new industries, small competitors, other taxpayers and the Treasury. Critics regard percentage depletion as an unwarranted subsidy that exhausts rather than conserves natural resources.

Because percentage depletion is tied to profits, it is particularly valuable during prosperous periods and during periods of heavy taxation, according to Williams. He said March 27: "When this 27½ percent formula was originally established in 1926, the tax rate on domestic corporations was about 14 percent. With our present corporate rate of 52 percent, this 27½ percent depletion allowance represents a tremendous tax-free bonanza. During the war, when our excess profits tax was in effect wherein some of our regular corporations were required to pay a rate of approximately 80 percent, this depletion allowance benefit was tremendous." The allowance then operated so that large oil companies were excused from paying virtually any excess profits tax, he said. Williams favors ending percentage depletion allowances whenever the cost of developing the property has been recovered. Currently the cost can be recovered many times over under percentage depletion, he contended.

Double Deductions

Critics claim that under the law, extractive industries get a double deduction through percentage depletion and also for intangible drilling and developing petroleum and mineral deposits. Former Secretary of Treasury Snyder told the House Ways and Means Committee in 1950 that for every \$3 million allowed the oil industry as percentage depletion during 1946-47, another \$2 million was deducted for development costs. A Treasury Department survey indicated that \$555 million was deducted in allowable depletion in 1946 and \$839 million in 1947 by corporations in the extractive industries. Treasury estimated that only 10 percent or 15 percent of these sums represented depletion required to recover original investment. The remaining 85 percent to 90 percent constituted an excess allowance due almost entirely to percentage depletion. Intangible drilling and development costs were claimed in addition to the depletion allowances.

A study made by Douglas of the net income and taxes paid by 27 domestic oil companies during 1945-54 indicated that they paid only 17.2 percent of their net income in taxes when the corporate tax rate was 52 percent. Douglas March 27 said, "Those (oil) corporations paid one-third the rate of taxes which corporations in the automobile business, the steel industry, the textile industry or any other industry in the country pay." A Treasury survey of 20 selected mineral corporations in 1947 indicated that they paid 19.3 percent of their net income in taxes at a time when the corporate tax rate was 38 percent. Treasury concluded that percentage depletion and development cost deductions were equivalent to almost a 50 percent reduction in the tax rate. Other studies, particularly of the oil industry, have come to the same conclusion, i.e., that petroleum and mining corporations consistently pay lower taxes than other corporations.

Oil Profits and Taxes

The average American corporation pays a Federal income tax of 30 percent on net income plus a surtax of 22 percent on income over \$25,000. Thus a corporation with a net income of \$1,000,000 would pay a Federal income tax of \$514,500. The following table indicates the net profits and the tax actually paid by a representative group of oil companies whose claims to depletion allowances and expenses for intangible drilling and development costs materially reduced or wiped out income tax liability.

Company	1956		1955	
	Net Income	Tax	Net Income	Tax
Amerada Petro. Corp.	\$26,499,395	\$3,024,000*	\$25,363,673	\$2,780,000*
Bishop Oil Co.	437,555	35,000*	534,093	15,000*
General American Oil Co. of Texas	8,735,172	151,000*	7,677,671	429,075
Mission Corp.	5,799,997	478,000	5,741,916	470,000
Republic Natural Gas Co.	3,800,798	260,000*	4,064,521	220,000*
Reserve Oil & Gas Co.	811,659	138,000	1,200,335	185,000
Superior Oil Co. of Calif.	5,040,752	None Paid	3,395,446	None Paid
Sunray Mid-continental Oil Co.	45,309,643	16,844,000	39,471,783	17,074,900
Western Natural Gas Co.	1,602,988	None Paid	1,262,177	None Paid
Wilcox Oil Co.	783,082	None Paid	981,994	None Paid

*Federal and other (state or foreign) income taxes.

Discrimination

Critics of percentage depletion claim that it discriminates against new industries, between competitors in the same industry and between competing industries.

The infant shale oil industry claims that the 27½ percentage rate for oil and gas wells makes it more difficult to raise venture capital to develop the industry in Colorado, Utah and Wyoming and more difficult to develop a product competitive with oil and gas. So shale wants equal treatment with gas and oil.

A newcomer in mining or in petroleum exploration is at a great disadvantage with a going concern because percentage depletion is based on profit. Those established have a profit against which to offset losses. The newcomer has not, hence cannot qualify for the allowance. As a result, critics claim exploration is a near monopoly of established companies.

Coal is an example of an industry where rates were raised by Congress in 1951 to keep it in a competitive position with oil and gas. In recommending a boost from 5 percent to a 10 percent rate for coal, the House Ways and Means Committee said coal was "particularly in need of more favorable tax treatment because of the inroads on its potential markets by alternative sources of energy, particularly oil and gas."

(The Case Against, Continued on p. 866, Col. 2)

Depletion Allowance - 8

(The Case For, Continued from p. 864)

Conservation

Prior to the 27½ percent rate, as much as 50 percent of the oil in a given well was not recovered because it was uneconomical to do so. With the advent of the 27½ percent rate, secondary recovery methods became widespread in the industry, according to Thompson and Sen. A.S. Mike Monroney (D Okla.). As a result, Monroney said March 27, "additional oil is produced through secondary recovery methods five or 10 years after the time of abandonment under previous conditions." In addition, he said, 293,000 stripper wells in this country are being operated almost solely because of the 27½ percent rate.

Consumer Benefits

The 27½ percent depletion allowance, proponents add, has put the nation on a petroleum economy by providing abundant supplies of petroleum products at low cost to the benefit of consumers. Thompson estimated that 67 percent of U.S. energy requirements are supplied by petroleum. A cutback or abolition of the 27½ percent depletion allowance would result in higher costs of such items as gasoline, fuel oil and manufactured gas, proponents claim. It is estimated a boost of one cent a gallon on gasoline alone would cost consumers \$500 million. The higher cost of fuel would be reflected in the cost of manufactured products, proponents point out. A cutback also would be felt eventually by the Federal Government in lower income taxes, according to Carlson and Gov. Price Daniel (D Texas).

It Has Worked

Proponents claim that the 27½ percent depletion allowance on gas and oil should be measured by the most practical of all yardsticks: Has it worked? It has, in their opinion. It has encouraged the discovery and development of domestic petroleum industry and the development of foreign sources of supply through U.S. venture capital. Furthermore, it has not presented the administrative difficulties of the earlier discovery depletion allowance.

The Paley Commission concluded that the "device of percentage depletion," coupled with the privilege of writing off as expenses exploration and development costs, had proved to be "a powerful inducement to capital to enter the relatively risky business of searching for mineral deposits of uncertain location, quality and extent."

The Paley Commission continued: "The device of percentage depletion as an incentive to mineral exploration is not without its limitations. But no alternative method of taxation has come to the Commission's attention or could be devised by the Commission which, in its judgment, promises to overcome these limitations and still achieve the desired results, particularly not without seriously dislocating well established capital values and other arrangements in the industries concerned, with highly adverse effects on supply. Taking the practical situation as it finds it, the Commission believes that any radical alteration of the existing tax arrangements would be undesirable."

(The Case Against, Continued from p. 865)

Least Risk, Greatest Deductions

Opponents of existing percentage depletion claim it operates so that big companies with the least risk get the bulk of the allowances. The Paley Commission found that the oil and gas industry accounted for 82.8 percent of all depletion allowance deductions in the extractive industries. Studies based on Internal Revenue Service income statistics indicate that corporations with assets of \$1 million or more got from 92.8 percent to 96.3 percent of the claimed percentage depletion allowances from 1946-52; corporations with assets under \$50,000 got less than 5 percent.

The argument that percentage depletion is necessary to underwrite risk and obtain financing does not apply to the large operators, according to critics. Carroll March 27 said "large oil corporations have hundreds of millions of dollars in cash reserves, so they have no trouble in getting financing." There have been suggestions that percentage depletion be limited to wells classified as wildcats, since wildcatting is the riskiest part of the oil business. This would cut off wells drilled in proven fields. Douglas would permit small operators to claim the 27½ rate, but he would scale it down to 15 percent for the large companies.

Unfair to Other Taxpayers

Critics argue that tax concessions shift part of the tax burden of extractive industries to other taxpayers. Although the oil industry is one of the chief beneficiaries of a strong national defense program, Williams March 27 said its tax concessions are "so tremendous" that it was "not currently paying its proportionate part of the cost of operating our Government and maintaining our defenses." Williams estimated that if the 27½ percent rate on percentage depletion were cut back to 20 percent "the resulting gains in revenue would...give small business a 20 percent tax reduction on incomes below \$25,000."

Some opponents, such as Sen. Humphrey, liken percentage depletion to a subsidy over which Congress has little control and for which there is little or no need, particularly in peacetime. Humphrey told the Senate Sept. 20, 1951: "If subsidization is the real justification of the privilege, we could not only eliminate half of those minerals (now) entitled to it; we could take the program entirely out of the tax laws and put it where the Administration could...assure the maximum results for the cost."

Arnold C. Harberger of the University of Chicago and Horace M. Gray of the University of Illinois Nov. 9, 1955, told the Joint Economic Tax Policy Subcommittee that percentage depletion was a wasteful and inefficient way to encourage natural resource development. At current rates, Harberger said, "it appears that to find \$1 million worth of reserves an explorer would be willing to spend \$1,950,000 for oil, \$2,110,000 for sulfur, \$2,130,000 for iron, \$1,960,000 for copper, \$2,270,000 for lead and zinc and \$2,300,000 for coal."

Gray said that venture capital is drawn into the extractive industries as a means of "reducing one's income tax." The percentage allowance "actually accelerates the exhaustion of natural resources," he claimed, "by artificial overexpansion of domestic production." It also tended to channel an undue amount of venture capital into the extractive industries at the expense of other industries where capital is needed, he said.

Pressures On Congress

FOREIGN AGENTS

Attorney General Herbert Brownell Jr., July 12 reported there were 307 active foreign agents registered in the United States as of Dec. 31, 1956. He said these agents spent more than \$6.8 million during 1956 to disseminate political propaganda and promote trade.

These findings were part of a Justice Department report covering 1956 activities under the Foreign Agents Registration Act of 1938. The Act requires the Attorney General to report "from time to time" concerning the "nature, source and content of political propaganda disseminated or distributed by agents of foreign principals." The agents are required to submit pertinent information regarding their activities under regulations set by the Attorney General. Officers and partners of the agents, as well as other persons assisting them, also must register. Brownell's report said the registrants were the "largest sources of political propaganda disseminated in the U.S." The propaganda, said Brownell, aimed at the "promotion of good will" and was designed to present to the "American public particular viewpoints on various national and international issues."

Great Britain said it spent \$2.1 million during 1956, mostly to promote travel and trade, the largest sum reported. Other reports included: France, \$767,481; Italy, \$353,076; Israel, \$312,878; Switzerland, \$261,125; Netherlands, \$257,620; and West Germany, \$226,379.

Japan's Council for Improved United States-Japanese Trade Relations, which registered under the Foreign Agents Act, also is registered under the Federal Regulation of Lobbying Act and reported spending \$29,188 in 1956 to influence legislation. (Weekly Report, p. 310) Japanese travel and information offices reported spending \$95,379 and the Japan Broadcasting Corp. another \$31,150 under the Foreign Agents Act.

Russia, said Brownell, does not maintain an information office in the U.S., but distributes propaganda through registered firms and is represented by travel agencies, book distributors and individuals.

Ex-Congressmen

Among those listed in the report having received fees from foreign accounts were:

Ex-Sen. James P. Kem (R Mo. 1947-53), received \$27,500 from the U.S. Cuban Sugar Council.

Ex-Sen. W. Scott Lucas (D Ill. 1939-51), received \$5,000 from the Republic of Panama.

Ex-Rep. Franklin D. Roosevelt, Jr. (D N.Y. 1949-55), with Charles Patrick Clark, received \$30,000 from the Dominican Republic.

Leon H. Keyserling, president of the Conference on Economic Progress and former chairman of President Truman's Council of Economic Advisers, received \$6,000 from Jean Richard, Commercial Counselor of the French Embassy.

A firm headed by Robert R. Nathan, national chairman of Americans for Democratic Action, reported receiving \$15,775 from the Embassy of Israel and \$203,372 from Burma.

BAR ASSN. CONVENTION

The American Bar Assn. at its 80th annual convention in New York City tabled a resolution urging lawyers to abstain from "contemptuous disregard" of Supreme Court decisions with which they disagreed. The vote to table came after a floor fight over the proposal submitted by Judge Palmer Hutcheson of Houston, Texas. Delegates upheld the recommendation of the resolutions committee for no action to avoid having "the newspapers report the American Bar Assn. rejected a resolution simply urging support of the Supreme Court."

Resolutions were rejected that would have said United States membership in the Organization for Trade Co-operation presented no constitutional problems and authorized the appointment of an ABA representative to the United Nations. A similar proposal was rejected at the convention in August, 1955, at Dallas, Texas. The delegates adopted a resolution reaffirming the Association's support of the UN.

The ABA also approved in principle a bill (HR 259) to enlarge the powers of Congressional committees to compel the testimony of reluctant witnesses. (Weekly Report, p. 776)

Outgoing President David F. Maxwell of New York expressed satisfaction with arrangements whereby a special committee of the ABA approves prospective appointments to the Federal judiciary. Maxwell said, "There has not been a single appointment since August, 1956, over our objections" and reported that adverse ABA reports had blocked some appointments. "We are concerned mostly to insure that judges of all courts have the essential qualifications," he said.

Charles S. Rhyne, 44, of Washington, D.C., was elected president. ABA reported a membership gain of 8,500 since its previous convention, bringing the total to 90,000.

CHAMBER CLARIFIES STAND

The Chamber of Commerce of the U.S. July 12 said it "is in no way whatever connected with" the National Citizens Committee to Curb Inflation. Congressional Quarterly had listed the Chamber of Commerce as one of the "organizations represented at the Washington conference" of the Citizens Committee June 24-25. (Weekly Report, p. 778).

Earl B. Steele, manager of the Chamber's news and information department, said a member of the Chamber staff had registered at the conference as an observer, but the Chamber itself "does not believe that such an organization" as the Citizens Committee "is equipped to wage any effective battle against inflation. The Chamber has its own massive and continuing program for maintaining a healthy economic climate and preserving economic stability."

LETTER CAMPAIGN HELPS PUT PAY BILL ON FLOOR

The most intensive letter-writing campaign Congress has seen since the wave of "economy letters" early this session has brought the House to the verge of passing a bill to give the Nation's 510,000 postal field employees a flat \$546 yearly pay raise. Chairman Tom Murray (D Tenn.) of the House Post Office and Civil Service Committee estimates the raise will cost the Government \$317 million a year. A Committee majority puts the cost at \$279 million.

This Fact Sheet identifies the groups behind the letter-writing campaign and tells how they went about their work.

Field employees of the Post Office Department are represented by a dozen or more labor unions. Major groups testifying for the pay raise bill (HR 2474) before the House Post Office and Civil Service Committee:

- National Assn. of Letter Carriers (AFL-CIO), which claims to represent 110,000 deliverymen.
- National Federation of Post Office Clerks (AFL-CIO), which claims to represent 115,000 inside workers.
- National Postal Transport Assn. (AFL-CIO), which claims to represent 30,000 postal employees on railroads, trucks and at terminals.
- United National Assn. of Post Office Craftsmen (Ind.), which claims to represent almost 40,000 workers.
- National Rural Letter Carriers' Assn. (Ind.) which claims membership of 36,450.
- Other groups that testified: National Federation of Post Office Motor Vehicle Employees (Ind.); National Assn. of Postal Supervisors (Ind.); National Assn. of Post Office and Postal Transportation Service Mail Handlers, Watchmen and Messengers (AFL-CIO); National Assn. of Postmasters (Ind.); National League of Postmasters (Ind.); National Assn. of Special Delivery Messengers (AFL-CIO); National Alliance of Postal Employees (Ind.); and National Assn. of Post Office and General Services Maintenance Employees (Ind.).

1957 Campaign

The postal workers won the first major victory of their 1957 pay drive July 11, when the last of the necessary 218 signatures was obtained on a petition to discharge the House Rules Committee from consideration of a resolution (H Res 249) for the consideration of the postal pay raise bill. The discharge petition is a rarely used procedure that permits a backer of a bill that has been held up in a legislative committee or the Rules Committee to bring it out for floor consideration, if he can obtain the signatures of 218 of the 435 House Members on his petition. It has been used successfully only 31 times since the procedure was started in 1910. The most recent use was in 1956 on HR 11, a bill to tighten antitrust laws on price discrimination. (1956 Almanac, p. 522)

The current petition was initiated May 15 by Rep. T.A. Thompson (D La.). Its success makes HR 2474 the pending House business on July 22.

Postal union leaders say use of the discharge petition was dictated by the strong opposition to a pay raise expressed by the Eisenhower Administration and by Chairman Murray of the Post Office Committee. The Bureau of the Budget May 6 opposed pay raises because "the Government...should at this time avoid actions which will increase inflationary pressures." Murray May 10 wrote other Representatives that "now is not the time to consider salary increase legislation."

"We felt," said Joel Lundein, vice president of the National Postal Transport Assn., "that under those circumstances we would not secure any action or hearings by the House Committee unless we forced the hearings." Timing of the petition was arranged to coincide with the May 15 Washington Conference of the Government Employees' Council (AFL-CIO), attended by about 2,000 delegates. The Council has acted as the co-ordinating agency for AFL-CIO unions in the postal pay drive.

The May 17 newsletter of the National Assn. of Letter Carriers described the House scene on May 15: "Congressman T. Ashton Thompson of Louisiana appeared at the clerk's desk in the House of Representatives and affixed his signature on Discharge Petition No. 2.... In the short space of 40 minutes, 88 Representatives had affixed their signatures. The galleries were filled with delegates to the Conference who delightedly watched as 107 Representatives signed the petition."

Slow Down

After the fast start, signatures on the petition slowed down, despite continued appeals to the members of the postal unions for letters. A National Federation of Post Office Clerks' bulletin of May 31, for instance, said: "One of the factors working against additional signatures is the scarcity of requests from the home districts of Members of Congress. Many Congressmen have stated that if it were the wish of their constituents, they would be happy to sign the discharge petition but lack of word from their districts inclines them to believe that their own people might not favor this approach.... We repeat the request that every employee...contact their Congressman by letter, by telephone or by telegraph...."

Nor was the letter-writing campaign confined to postal employees. E.C. Hallbeck, legislative director of the National Federation of Post Office Clerks, said many of its locals ran ads in their city's newspapers seeking community support for the drive. Kits of "fact sheets" on the pay drive were sent to newspaper editors and other "opinion-makers" around the country.

As an estimated 50,000 letters poured into Congressional offices and as the signatures were obtained for the discharge petition, the House Post Office Committee June 13 began hearings on pay raise bills. On June 24 it approved an amended version of HR 2474 sponsored by Rep. James H. Morrison (D La.). (Weekly Report, p. 762) When the Committee reported the bill July 8 (H Rept 702), only Chairman Murray signed the minority report against it.

Final Push

The final push for completion of the discharge petition came July 9, when Morrison, author of the original version of HR 2474, wrote other Members of the House that an agreement had been reached with Thompson (La.), originator of the discharge petition, that if the petition were completed, the Committee-approved version of the bill would be substituted for the original measure. This was a strong argument with some Members who favored the postal pay raise but thought the terms of the original bill too generous. It also brought in the active support of some independent postal unions, notably the National Rural Letter Carriers' Assn., which formally had been passive on the discharge petition because they feared the original version of HR 2474 was certain to be vetoed. The remaining signatures were obtained on July 11.

Cost of Campaign

None of the postal unions contacted by CQ was able to offer a statement of the full expenses of its part in the pay raise campaign to date. Joseph F. Thomas, president of the United Assn. of Post Office Craftsmen, said: "The drive has cost us almost everything we have. The treasury is pretty well depleted." Thomas declined to put a specific figure on the union's spending on the pay raise drive, but noted that the "almost 40,000" members pay \$7.20 a year dues "and most of it goes for legislation." Neither the union nor any of its officers is registered under the Federal Regulation of Lobbying Act.

Registered groups active in the pay raise drive that reported spending for the first quarter of 1957 included:

- Government Employees' Council (AFL-CIO), \$5,723.99.
- National Assn. of Letter Carriers (AFL-CIO), \$13,717.87.
- National Federation of Post Office Clerks (AFL-CIO), \$19,852.13.
- National Postal Transport Assn. (AFL-CIO), \$9,995.27.
- National Rural Letter Carriers' Assn. (Ind.), \$5,879.91.

Political Influence

It is often charged that postal unions have great persuasiveness with Congress because the Members fear the political influence of the postal workers in their own states and districts. Murray told CQ the discharge petition drive was successful because "postal unions have persistence and put terrific pressure on every Member from people in his own district. They kept bringing in delegations from particular areas to work on reluctant Members."

Leaders of the postal unions differ in their appraisals of the unions' political strength. Jerome J. Keating, legislative representative of the National Assn. of Letter Carriers, said, "I don't think anyone who looks at postal workers' pay would conclude they have great political influence."

Lundeen, on the other hand, told CQ, "I think it's true postal workers are a powerful group. They are numerous in themselves, they are widely distributed and they are in a very favorable position to influence community opinion. Postal workers, generally, are well-known and well-respected in their towns and neighborhoods. Our whole legislative campaign is based on local contacts, and that has been the key to our success."

Membership Advantage

Hallbeck said, "Postal workers may have political influence at home, but political activity is incidental to the program of this union." He conceded, however, that "having members in 6,500 cities, towns and villages certainly gives us an advantage." Hallbeck's National Federation of Post Office Clerks, prior to the 1956 election, polled all candidates for Congress on their attitude toward a postal pay increase. On Oct. 29 it reported it had received replies from more than half the candidates and that an overwhelming majority of those replying were committed to support a pay raise. Copies of the questionnaire responses from individual candidates were widely distributed before the election.

Issues and Outlook

The Post Office Committee's majority report argued that postal workers have received a pay increase of only 6 percent since 1952 and that the average 12% percent increase in HR 2474 is justified by the average 18.6 percent increase in earnings of manufacturing industry employees since 1952, by the 17 percent increase in the average postal worker's productivity since 1951, and by the need to attract better qualified workers and to reduce turnover among Post Office employees. As for inflation, the report said, "The question is not whether this pay increase will in some undetermined way contribute to inflation, but rather how the postal employee is to meet the present pressing inflation without an adequate pay adjustment."

Chairman Murray's minority report, opposing the pay increase, said enactment of a postal pay raise would lead to general salary increases for all civilian and military employees of the Government. The total cost, he said, could reach \$3 billion a year. He said, "This Nation cannot afford a major increase in Governmental expenditure.... I am greatly concerned that the action of this Committee in voting this increase will be the trigger that sets off another round of increased wages and increased prices in private industry."

Once the discharge petition was signed, the passage of the pay increase bill in the House became a virtual certainty, since a majority of Representatives signed the petition.

In the Senate, the outlook is less certain. A bill (S 27) that differs in its terms but averages to about the same \$546 a year raise, was reported by a Senate Post Office and Civil Service subcommittee July 3. It is pending before the full Committee, but action on it probably will be held up until the Senate has completed floor action on the civil rights question. (Weekly Report, p. 843)

If the bill is passed by Congress, it still faces the hurdle of a possible Presidential veto. As recently as June 14, President Eisenhower wrote, "I cannot, at this time, in keeping with the national interest, recommend enactment of legislation for pay increases for postal workers...."

In 1954, President Eisenhower refused to sign a pay raise bill for postal workers and other Government employees. His "pocket veto" after Congress had adjourned killed the measure. In 1955, he vetoed the first postal pay raise bill but signed the second one passed by Congress that year. (1954 Almanac, p. 388; 1955 Almanac, p. 360)

Around The Capitol

PRESIDENT SEES NO TAX CUTS

President Eisenhower July 15 said the fiscal 1957 budget balance apparently would be so small, Congress should take no action involving "any substantial tax reduction for anyone." His views were in a letter to Chairman Jere Cooper (D Tenn.) of the House Ways and Means Committee. Cooper had asked the President to state his position on tax and other 1956 recommendations of a Cabinet Committee on Small Business. (Weekly Report, p. 758)

The President said it would be ill advised to cut tax rates from 30 percent to 20 percent on corporations earning less than \$25,000, "because of the substantial revenue loss." He recommended a change in the tax law to permit an original investor in small business to deduct from his income, up to some maximum amount, any loss realized on a stock investment in the business. The President also backed the following Cabinet Committee proposals: let businesses use accelerated depreciation formulas in purchasing used property worth up to \$50,000 in any one year; give corporations with 10 or fewer stockholders the option of being taxed as if they were partnerships, and give taxpayers the option of paying the estate tax over a period up to 10 years when the estate was largely in investments in closely held business concerns. (Weekly Report, p. 390)

STATUS OF FORCES TREATIES

The Supreme Court July 11 upheld unanimously the United States Government's May 16 decision to surrender Army Specialist 3/C William S. Girard to a Japanese court for trial on manslaughter charges. The 8-0 decision reversed a June 18 ruling by U.S. District Court Judge Joseph C. McGarraghay that Girard's constitutional rights would be violated if he were surrendered. Girard was indicted in the Jan. 30 death of a Japanese woman, struck by a spent shell casing fired from Girard's grenade launcher.

The Court ruled that it found "no constitutional or statutory barrier" to the Government's action in waiving its trial rights. "In the absence of such encroachments," the decision said, "the wisdom of the arrangement is exclusively for the determination of the executive and legislative branches."

The decision brought a rash of Congressional proposals to revise laws governing court jurisdiction over U.S. citizens serving abroad. Deputy Defense Secretary Donald A. Quarles, in a July 14 address at Baltimore, Md., urged Congress not to "jeopardize" allied agreements, and said that "without the present status-of-forces arrangements the United States would undoubtedly be forced to relinquish many if not all" of its overseas bases.

Rep. Kenneth B. Keating (R N.Y.) July 11 urged a special House study of possible revisions of pertinent laws and treaties. Sen. George A. Smathers (D Fla.) July 15 proposed legislation giving the U.S. "primary jurisdiction" over servicemen accused of committing crimes while on duty. (Weekly Report, p. 817)

Eisenhower Meets Press

President Eisenhower July 17 told the 17th news conference of his second term: "I can't imagine any set of circumstances that would ever induce me to send Federal troops into a Federal court and into any area to enforce the orders of a Federal court.... Now there might be that kind of authority resting somewhere, but certainly I am not seeking any additional authority of that kind."

The President also said:

He would not comment on any proposed amendments by the Senate to the civil rights bill: "I think that for the moment the best thing to do is for most of us to let them (Senators) do the debating, and we will see what comes out. I am very hopeful that a reasonable, acceptable bill will come out" of the Senate. "I am not going to discuss these amendments in detail.... I follow the debates in the Senate with the greatest of interest, and we will see what comes out. And then I hope it will be -- and, as I say, I believe it will be -- a satisfactory bill." (Weekly Report, p. 854)

Status-of-forces treaties "are absolutely essential to the system of alliances we have now, and without them those alliances will fall to pieces, because we would be compelled to bring our soldiers home.... In this system of alliances...rests today the security" of the U.S. (Weekly Report, p. 853)

A meeting between Soviet Defense Minister Zhukov and Secretary of Defense Charles E. Wilson might serve a useful purpose.

REP. BOWLER DIES

Rep. James B. Bowler (D Ill.), 82, of Chicago's 7th District died July 18. He served in Congress since July 7, 1953, when he won a special election to fill the vacancy caused by the death of Rep. Adolph J. Sabath (D). Rep. Bowler, a member of the Appropriations Committee, had been unable to attend any sessions in 1957. He was re-elected in 1956 with 71.7 percent of the vote. His death reduces the Democratic House membership to 233. There are 200 Republicans, Rep. T. Millet Hand (R N.J.) having died Dec. 26. A previous Democratic vacancy in the 85th Congress caused by the Nov. 7, 1956, death of Rep. Antonio M. Fernandez (N.M.) was filled by the election of Rep. Joseph M. Montoya (D N.M.).

REP. McCONNELL RESIGNS

Rep. Samuel K. McConnell Jr. (R Pa.) July 12 submitted his resignation, effective Sept. 1, when he will become executive director of the National Cerebral Palsy Foundation. McConnell has represented Pennsylvania's 13th District in the House since January, 1944, when he was elected to fill a vacancy caused by the death of Rep. William Ditter. He is senior Republican on the Education and Labor Committee. He was reelected in 1956 with 66.7 percent of the vote, is the first member of the 85th Congress to resign.

PRESIDENT CRITICISES HOUSING BILL

President Eisenhower July 12 said he was dissatisfied with four sections of the Housing bill (HR 6659 - PL 104) approved July 1. (Weekly Report, p. 795, 799)

In signing the bill, the President said the \$1.9 billion of new obligational authority was more than double the amount he requested and "runs directly counter" to his budget balancing efforts. "However," he said, "these amounts do not have to be made available for obligation in the current fiscal year.... Accordingly, I have given instructions to limit the use of the new authority...to amounts consistent with the over-all budget program."

Mr. Eisenhower also criticized provisions to "fix reasonable limits" on mortgage discounts on Government-backed mortgages. He said the controls "intrude into and interfere with the operation of the private home finance system." He asked Congress to repeal the section.

The President scored a provision for the Federal National Mortgage Assn. to buy certain types of mortgages at or near par, no matter what the market rate might be, and criticized the failure of the bill to raise the statutory ceiling on interest rates on Government loans for college housing. He said both these sections would discourage private mortgage lending and place a greater financing burden on the Government.

Capitol Briefs

MILITARY FORCES CUT

President Eisenhower July 16 ordered a reduction in the armed forces of 100,000 from their authorized strength of 2,800,000. Secretary of Defense Charles E. Wilson estimated this would result in a saving of about \$200 million a year. The directive cut 50,000 from the Army, 25,000 from the Air Force, 15,000 from the Navy and 10,000 from the Marines.

FOREIGN POLICY

Sen. Mike Mansfield (D Mont.) July 13 said Secretary of State John Foster Dulles could "perform a highly useful service" by a "first-hand exploration" trip behind the Iron Curtain, and a report on the mood there.

HOLLISTER RESIGNS

John B. Hollister July 11 resigned as director of the International Cooperation Administration, but agreed to remain in his job until Congress adjourned and his successor was qualified. In his letter of resignation he said although the aid program "is occasionally wasteful and inefficient," it was a "gamble" and "must continue as long as aggressive international Communism threatens us." Hollister, who served in the House from 1931-37 (R Ohio) and was a law partner of the late Sen. Robert A. Taft, has directed the foreign aid program since 1955. (1955 Almanac, p. 665)

CONGRESSIONAL JUNKETS

Rep. Burr P. Harrison (D Va.) July 10 introduced a bill (HR 8621) to require periodic publication of expenditures of Government funds by Members of Congress and other Federal employees for overseas travel. (Weekly Report, p. 207)

TAFT-HARTLEY REVISIONS

Secretary of Labor James P. Mitchell July 14 said the Administration hoped to have "a well-thought-through program" to revise the Taft-Hartley Labor-Management Relations Act by the end of 1958. Mitchell, in a television interview, said the Administration believed that "basically the Taft-Hartley Act is a sound piece of legislation, but like all legislation dealing with human relations, it needs revision after 10 years of experience." (Weekly Report, p. 313)

STATUS OF APPROPRIATION BILLS IN THE 85th CONGRESS

The status of the 12 regular appropriation bills before Congress:

Agency	Requested	HOUSE		SENATE		Final
		Committee	Passed	Committee	Passed	
Agriculture	\$ 3,965,446,617	\$ 3,692,889,757	\$ 3,692,889,757	\$ 3,668,732,157	\$ 3,668,972,157	\$ 3,666,543,747
Commerce	871,513,000	653,685,060	653,685,060	613,584,290	613,584,290	597,790,225
Defense	36,128,000,000	33,541,225,000	33,562,725,000	34,534,229,000	34,534,229,000	
District of Columbia						
Federal Payment	25,504,450	22,504,450	22,504,450	23,004,450	23,004,450	22,504,450
District Payment	(207,249,900)	(192,530,300)	(192,530,300)	(196,582,720)	(196,636,850)	(196,676,480)
Executive Offices	20,921,870	16,021,370	16,021,370	16,010,370	16,010,370	16,010,370
Independent Offices	5,923,195,000	5,406,201,700	5,385,201,700	5,378,224,800	5,378,594,800	5,373,877,700
Interior	515,189,700	454,395,700	454,395,700	456,252,600	457,152,600	456,189,600
Labor-HEW	2,981,277,581	2,862,502,881	2,846,831,581	2,885,290,781	2,885,290,781	2,871,182,781
Legislative	80,678,628	78,470,285	78,370,285	104,844,660	104,844,660	104,844,660
Public Works	876,453,000	814,813,023	814,813,023	884,151,323		
State-Justice-Judiciary	665,649,802	563,799,793	563,799,793	563,085,293	563,085,293	562,891,293
Treasury-Post Office	3,965,291,000	3,884,927,000	3,884,927,000	3,884,927,000	3,884,927,000	3,884,927,000
TOTAL	\$56,019,120,648	\$51,991,436,019	\$51,976,164,719	\$53,012,336,724		

A 13th bill, the Mutual Security appropriation for which the Administration requested \$3,864,410,000, also must be passed but is not a "regular" bill; it requires an annual authorization. Other Federal agencies and programs that must have fiscal 1958 funds appropriated include: Small Business Administration, Atomic Energy Commission, Tennessee Valley Authority and military construction.

The President June 28 signed the Post Office Supplemental for fiscal 1958 (H J Res 379 -- PL 64) carrying \$133,000,000.

Political Notes

7 REPUBLICANS, 2 DEMOCRATS QUALIFY FOR WISCONSIN PRIMARY

Seven Republicans and two Democrats qualified by the July 12 filing deadline for the July 30 primaries to nominate candidates for the Aug. 27 Wisconsin special Senate election to fill the unexpired term of the late Sen. Joseph R. McCarthy (R). The primaries are open and any voter, regardless of party affiliation, can vote in either the Democratic or Republican primary. Following is a list of the nine candidates seeking the McCarthy Senate seat.

Republicans

- WALTER J. KOHLER -- 53, of Kohler; business executive; former governor (1951-57); never defeated for public office; election percentage jumped from 53.2 in 1950 to 62.4 in 1952, dropped to 51.5 in 1954, not a candidate for reelection in 1956; prior to Sen. McCarthy's death, was considered ready to oppose his bid for reelection in 1958.

- GLENN R. DAVIS -- 42, of Waukesha; attorney; former Representative (1947-57) from the 2nd District (Southeast, Waukesha); endorsed by state GOP against Sen. Alexander Wiley (R) in 1956 Republican Senate primary, also had support of McCarthy adherents; during primary campaign said he could not be tagged "as a McCarthy Republican, an Eisenhower Republican,...or any other designation of the sort;" defeated by Wiley by about 10,000 votes out of more than 415,000 votes cast; during 84th Congress, supported President Eisenhower's domestic policies on 73 percent of the Eisenhower-issue roll-call votes, but supported Eisenhower foreign policy views only 20 percent of the time; winning District election percentages: 1948 - 53.9; 1950 - 57.6; 1952 - 62.9; 1954 - 54.0; in 1952, the 2nd District's Eisenhower percentage was 60.7, jumped to 62.0 in 1956; Wiley carried the 2nd District in 1956 with 59.9 percent of the vote.

- ALVIN E. O'KONSKI -- 53, of Mercer; radio and television executive; U.S. Representative from the 10th District (Northwest) since 1943; in 84th Congress, Eisenhower support score in foreign policy was 13 percent, domestic support was 48 percent; election percentages: 1948 - 54.8; 1950 - 57.0; 1952 - 67.4; 1954 - 59.7; 1956 - 64.6; President Eisenhower's 10th District election percentage dropped slightly from 57.6 in 1952 to 56.3 in 1956.

- WARREN P. KNOWLES -- 48, of New Richmond; attorney; in 1956 elected lieutenant governor; former state senator; self-styled conservative sometimes critical of Eisenhower policies.

- HENRY P. HUGHES -- 53, of Oshkosh; former state supreme court justice; one-time Democrat, politically inactive for past 10 years; sometimes critical of Eisenhower policies.

- JOHN C. SCHAFER -- 64, of Milwaukee; businessman; former Representative (1923-33; 1939-41), unsuccessful candidate for Congress seven times; considered anti-McCarthy, anti-state GOP organization.

- GERALD D. LORGE -- 34, of Bear Creek; attorney, state senator; considered pro-McCarthy, conservative, isolationist.

Democrats

- WILLIAM PROXMIRE -- 41, of Madison, businessman, former newspaper reporter, former assemblyman; three-time unsuccessful Democratic gubernatorial candidate, increased election percentage from 37.3 in 1952 to 48.4 in 1954 when he lost to Kohler by 35,411 votes; in 1956, received 48.1 percent of the vote.

- CLEMENT J. ZABLOCKI -- 44, of Milwaukee; teacher; U.S. Representative from the 4th District (Milwaukee) since 1948; former state senator; House election percentages: 1948 - 55.9; 1950 - 60.9; 1952 - 64.3; 1954 - 71.1; 1956 - 65.7; President Eisenhower lost 4th District in 1952 with 48.0 percent of the vote, carried it in 1956 with 57.0 percent.

Two other Democratic candidates July 10 withdrew from the primary race -- Arthur McGurn, retired Federal employee; and Robert Hempelman, electronics salesman, who said he was withdrawing in favor of Proxmire.

Republican Funds

During the week prior to the filing deadline, the Milwaukee Journal reported that Milwaukee industrialist Walter Harnischfeger, former McCarthy supporter, was trying to raise \$50,000 for Davis' campaign. Kohler charged that Davis was in Harnischfeger's "hip pocket" and was the candidate of "wealthy industrialists and political bosses." Knowles referred to Davis as a captive candidate; Zablocki called Harnischfeger a "kingmaker." Davis said Kohler was a "wealthy industrialist" and a "millionaire" himself.

Harnischfeger was a backer of Davis' Senatorial candidacy in 1956, when Davis was defeated by Wiley in the GOP primary. Wiley had charged that Davis was "the puppet candidate of king-makers" who raised a "\$150,000 jackpot" to have Davis oppose him. Harnischfeger in 1956 contributed \$3,000 to the Republican National Committee and \$500 to ex-Sen. Herman Welker's (R Idaho 1951-57) 1956 unsuccessful reelection campaign.

Outlook

The Wisconsin Republican Convention June 8 voted to withhold endorsement of any one candidate for the Republican nomination.

Kohler, Davis, O'Konski and Knowles are considered the leading Republican candidates. Kohler is probably the best known, and may receive some support from Democrats who may cross over in the open primary. Davis has intact much of the same organization he built in his race for the 1956 GOP Senate nomination.

Proxmire is given the edge over Zablocki for the Democratic nomination on the basis of previous races for statewide office, although the two candidates apparently differ little on issues.

Committee Roundup

FEDERAL PAY RAISE

COMMITTEE -- House Post Office and Civil Service.

ACTION -- July 18 approved, by a reported 14-10 vote, an amended bill (HR 2462) to provide a flat 11 percent pay increase for Federal employees. The maximum increase in any salary, however, would be limited to \$1,000 a year, and the salary ceiling would be \$16,000 a year. The cost to the Treasury was estimated at \$532.4 million. (Weekly Report, p. 843, 868)

RELATED DEVELOPMENT -- July 18 -- The Senate Post Office and Civil Service Committee approved two bills (S 27, 734) to provide 7½ percent pay raises for postal and Federal classified employees. The bills were approved by the Federal Employees Compensation Subcommittee July 3. (Weekly Report, p. 843)

FEDERAL LOYALTY-SECURITY PROGRAM

COMMITTEE -- House Post Office and Civil Service.

BEGAN HEARINGS -- On bills (HR 981, 8322, 8323) relating to the Government's loyalty-security program for Federal employees. (Weekly Report, p. 767)

TESTIMONY -- July 16 -- Chairman Loyd Wright of the Commission on Government Security said there was no room anywhere in the Federal service for "disloyal citizens." Wright and Chairman Tom Murray (D Tenn.) agreed it was "imperative" that some kind of "stopgap" legislation be enacted to counteract a 1956 Supreme Court decision that only employees in "sensitive" jobs could be dismissed as security risks. (1956 Almanac, p. 579)

July 17 -- Rep. Francis E. Walter (D Pa.) urged approval of his bill (HR 981) to make the security program applicable to all Federal civilian employees. E.C. Hallbeck, legislative director of the National Federation of Post Office Clerks, and Paul A. Nagle, president of the National Postal Transport Assn., opposed the Walter bill. Hallbeck called HR 981 "the exact antithesis" of Wright Commission recommendations, which he praised as "probably the best approach" to the loyalty-security problem.

Vaux Owen, president of the National Federation of Federal Employees, also generally commended the Wright Commission proposals, but opposed creation of a central security office.

Will Maslow, general counsel of the American Jewish Congress, criticized both the Wright Commission recommendations and Walter's bill.

GRANTS-IN-AID

COMMITTEE -- House Rules.

ACTION -- July 17, reported by a one-vote margin a resolution (H Res 312 -- H Rept 823) to create a select committee to study Federal grants-in-aid programs for states and municipalities. Under the resolution, sponsored by Rep. Phil M. Landrum (D Ga.), the Speaker of the House would appoint the committee's nine members. Earlier in the day the Rules Committee killed the proposal, also by a one-vote margin, with several Members absent.

VETERANS' BENEFITS

COMMITTEE -- Senate Finance.

ACTION -- July 18 approved a House-passed bill (HR 52) increasing compensation payments to veterans with service-connected disabilities. The bill would grant a 10 percent increase for most disability ratings, a higher one for total disability. The Administration, opposing the measure, had asked the Committee to hold increases to 4 percent. (Weekly Report, p. 645)

LABOR RACKETEERING

COMMITTEE -- Senate Select Committee on Improper Activities in the Labor and Management Fields.

HELD HEARINGS -- On alleged labor racketeering. (Weekly Report, p. 763)

TESTIMONY -- July 16 -- John A. Barr, president of Montgomery Ward & Co., Chicago, called "completely and absolutely untrue and unfounded" any "inferences" by Washington, D.C., Attorney Alfons Landa that Montgomery Ward had traded collective bargaining contracts for Teamsters Union support in a 1955 proxy fight. (Weekly Report, p. 597)

Barr said Landa's testimony had "done substantial harm to the good name and reputation of Montgomery Ward. He said there "was never any agreement or understanding between Montgomery Ward and the Teamsters...."

Mrs. Lillian Ehrlich, the wife of a New York Bakers Union official, accused Bakers President James G. Cross of invading a room she and her husband were occupying during a 1956 Bakers convention in San Francisco and kicking her and fighting with her husband.

Cross said he "was taking a shower in my room in the presence of my male secretary" at the time of the alleged fight.

July 17 -- Cross said he kept \$7,500 of union funds in a special bank account with some of his own funds. He said he was "not sure" the union knew this. He declined to take a lie detector test about the happenings during the San Francisco convention.

Following Cross' testimony, the Committee turned its investigation to the affairs of the United Textile Workers Union (AFL-CIO). Chairman John L. McClellan (D Ark.) said the group would investigate allegations that Textile President Anthony Valente and Secretary-Treasurer Lloyd Klenert had "misappropriated union funds to purchase private homes."

Martin J. Quigley, Washington, D.C., lawyer and realtor, said Valente and Klenert had brought him a \$95,000 Textile Union check in May, 1952. This matched the cost of two homes purchased by the men, but Quigley said he would "not admit" that that was what the money was for. He said he later agreed to a request from the two men to return the \$95,000 to the union and arrange \$38,000 construction loan mortgages for them. He said he had accepted a \$57,000 union check, the amount outstanding, and had written a letter, at the officials' request, saying the \$57,000 was money owed the union for some future purchase.

MONETARY STUDY

COMMITTEE -- Senate Banking and Currency.

ACTION -- July 16 rejected, by an 8-7 party-line vote, an Administration-sponsored bill (S 599) for a Presidential commission to study fiscal and monetary policies. The measure, introduced by Sen. Homer E. Capehart (R Ind.), provided for a commission of nine citizens to be named by the President. Democrats opposed the bill because the Senate Finance Committee already had undertaken such an inquiry. (Weekly Report, p. 842)

RELATED DEVELOPMENT -- July 12 -- The Finance Committee concluded its 14-day questioning of Secretary of the Treasury George M. Humphrey. Humphrey said he felt that "inflationary pressures already may be abating," and that the country's greatest problem "is trying to balance what it is absolutely necessary to spend to maintain an adequate posture of defense, and still not have too high a degree of taxes and too much inflation we can't handle."

GOVERNMENT SPENDING

COMMITTEE -- House Appropriations.

HELD HEARING -- On the July 12 disclosure of a Budget Bureau directive to Federal agencies to hold fiscal 1958 spending to 1957 levels.

BACKGROUND -- Budget Director Percival F. Brundage, in a June 28 confidential letter to Department Secretaries, said "the President had requested" that they take "positive action" to keep their expenses "at or below the level for the fiscal year 1957." Brundage also asked the Secretaries personally to justify all requests for exceptions. Chairman Clarence Cannon (D Mo.) of the House Appropriations Committee July 13 said the move was "extraordinary," that his Committee was considering a resolution requiring the President to limit spending along lines specified by Congress. He said the order "repudiates the 1958 budget" and left his Committee with "no firm estimates" on which to base appropriations. Rep. John Taber (R N.Y.) upheld the directive, said "I think we all ought to be pleased."

TESTIMONY -- July 16 -- Brundage, in a summary of his closed session testimony, said the order was issued as "just a restraining influence" and was designed to save about \$1 billion. He said he looked for a surplus of from \$1.2 to \$1.5 billion for fiscal 1957. Brundage said he realized all spending could not be held to 1957 levels, but with "the cooperation of Congress" the total might be restricted to about \$70.8 billion.

PUBLIC WORKS APPROPRIATION

COMMITTEE -- Senate Appropriations.

ACTION -- July 12 reported a bill (HR 8090 - S Rept 609) appropriating \$884,151,323 for fiscal 1958 public works projects administered by the Departments of the Army and Interior. The total was \$69,338,300 more than the \$814,813,023 voted July 19 by the House, and \$7,698,-323 more than Administration requests. The Committee recommended: a \$658,625,100 appropriation for the Corps of Engineers, which was \$58,243,300 more than the sum voted by the House; \$183,624,223 for the Reclamation Bureau, an \$8,936,000 increase over the House allotment; and \$30,668,000 for Bonneville Power Administration, a \$2,159,000 increase over the House appropriation. (Weekly Report, p. 735)

NIAGARA POWER

COMMITTEE -- House Public Works.

ACTION -- July 17 ordered reported, by a 20-8 vote, a bill (HR 8643) to authorize New York State to build a \$600 million power plant at Niagara Falls. Chairman Charles A. Buckley (D N.Y.) said one Republican joined the Committee's 19 Democrats in voting to report the bill. Rep. J. Harry McGregor (R Ohio), the Committee's ranking minority member, criticized the action, said the Democratic majority refused his request for further consideration of the bill and a vote July 18. He said there had not even been a subcommittee hearing on the legislation. The bill was similar to one awaiting Senate consideration. (Weekly Report, p. 845)

HR 8643 was one of four bills approved by the Committee on reported party-line votes in a stormy hour and a half session punctuated by Republican protests against "steamroller" and "Tammany Hall" tactics. (For other bills, see below.)

TVA FINANCING

COMMITTEE -- House Public Works.

ACTION -- July 17 ordered reported a bill (HR 4266) to authorize the Tennessee Valley Authority to finance future construction through issuance of bonds secured only by its own power revenues. The bill, sponsored by Rep. Clifford Davis (D Tenn.) would impose no limits on the amount of bonds to be issued by TVA, nor would it restrict the agency's service area. (Weekly Report, p. 761)

LEASE-PURCHASE

COMMITTEE -- House Public Works.

ACTION -- July 17 ordered reported, with amendments, a bill (S 2261) to repeal the Public Buildings Purchase Contract Act of 1954, under which public buildings were constructed with private capital and leased to the Government under terms leading to eventual Federal ownership. (1954 Almanac, p. 402)

As approved by the Committee, the bill would permit lease-purchase construction of a \$2 million post office and court house at Rock Island, Ill., and six Federal office buildings in the District of Columbia. The bill authorized construction with direct appropriations of 148 other buildings previously approved for lease-purchase construction.

As passed by the Senate July 3, S 2261 would have extended the lease-purchase program through 1960. The Committee substituted for the Senate-approved text the provisions of HR 4660 as approved by its Public Buildings and Grounds Subcommittee July 11.

RIVERS, HARBORS AUTHORIZATION

COMMITTEE -- House Public Works.

ACTION -- July 17 approved a bill (S 497) to authorize a \$1,456,461,800 program of rivers and harbors improvement and flood control. The Committee cut nearly \$1 million from the \$1,540,840,000 total approved by the Senate March 28. (Weekly Report, p. 391)

Chairman Clifford Davis (D Tenn.) of the Flood Control Subcommittee said the current bill had only 18 projects to which the Administration objected, compared with 47 in a similar bill vetoed in 1956. Moneywise, he said, these projects constituted 5½ percent of the bill's total, compared with 37½ percent in the 1956 bill. (1956 Almanac, p. 574)

ADMINISTERED PRICES

COMMITTEE -- Senate Judiciary, Antitrust and Monopoly Subcommittee.

RECESSED HEARINGS -- On "administered" prices, set by company policy, and recent steel price increases. (Weekly Report, p. 842)

TESTIMONY -- July 12 -- Dr. Gardiner C. Means, an economist for the Committee for Economic Development, said there was a "zone of relative price indifference" in which manufacturers could price their products at several different levels and make about the same total profit. He said that if a producer in an administered-price industry lifted his price, demand would fall, output drop and costs decrease. Since profits equal returns, less costs, Means said, profits would stay unchanged at both prices.

July 13 -- Economics Professor Richard Ruggles of Yale University said "even if all the administered-price industries charged what could be regarded as fair prices, we would still have rising prices with us as long as productivity fails to rise fast enough to keep up with wage prices." He recommended acceleration of efforts to increase productivity, opposed wage controls.

July 16 -- Economics Professor John R. Moore of the University of Tennessee said the setbacks experienced by monetary policy in recent years "should put us on our guard against smugness concerning our mechanisms of control."

BANKING LAW REVISION

COMMITTEE -- House Banking and Currency.

BEGAN HEARINGS -- On proposals (HR 7026, S 1451) to amend and revise statutes governing financial institutions. (Weekly Report, p. 387)

TESTIMONY -- July 15 -- Chairman William McChesney Martin Jr. of the Federal Reserve Board said recodification of banking statutes was long overdue, but he opposed proposed repeal of the law for mandatory cumulative voting in the election of national bank directors. He said the principle of giving due representation to minority shareholders was "sound."

July 16 -- Martin said there was need for the economy to "slow down a little bit" until savings caught up with the demand for credit. He said the Board's influence on interest rates had been exaggerated, since the rate was set "in large measure" by the market. "I have never liked high interest rates," Martin said, but he added that a "modest increase" was needed to brake inflation when the demand for money "far exceeds the supply."

July 17 -- Martin said reserve requirements for banks were too high, but he declined to predict whether the Board would take any action.

STOCK OWNERSHIP DISCLOSURES

COMMITTEE -- Senate Banking and Currency.

ACTION -- July 16 ordered reported, by a 12-3 vote, an amended bill (S 1168) to require certain companies whose securities were not listed on national stock exchanges to file regular reports with the Securities and Exchange Commission. The measure would apply to concerns with more than \$10 million in assets and more than 1,000 stockholders. Exempted would be state-supervised insurance companies, savings and loan associations, trust companies not accepting deposits and certain dealers in bankers' acceptances. (Weekly Report, p. 762)

MEAT INDUSTRY PRACTICES

COMMITTEE -- Senate Judiciary.

ACTION -- July 18, by a 6-3 vote, reported a bill (S 1356) that would transfer enforcement of the anti-trust laws in the meat packing industry from the Agriculture Department to the Federal Trade Commission. Sponsors of the bill said it would strengthen antitrust enforcement and close a loophole under which, they said, large chain stores could obtain exemption from some FTC regulations by purchasing small packing houses. (Weekly Report, p. 687)

SPORTS ANTITRUST LAWS

COMMITTEE -- House Judiciary, Antitrust Subcommittee.

RESUMED HEARINGS -- To determine the status of organized sports under the antitrust laws. (Weekly Report, p. 763)

TESTIMONY -- July 17 -- President Horace Stoneham of the New York Giants said he expected to move his team to San Francisco in 1958. If the plan fell through, Stoneham said, there were three other Pacific Coast cities under consideration. "In my thinking, the city of New York can't support three clubs of major league proportions," he said.

Rep. Melvin Price (D Ill.), in prepared testimony, said baseball was primarily entertainment and that "legislation to apply strict legalisms of the antitrust statutes to any sport, particularly organized baseball, would be self-defeating and a mistake."

July 18 -- President Arnold Johnson of the Kansas City Athletics said his sale of Yankee Stadium, ordered by the American League after he bought the Athletics, was "a clean transaction" and he had no options or remaining interest with the Yankees. He said the relatively high number of player deals with the Yankees was the result of a "deliberate policy" to build up his club.

CIGARETTE ADVERTISING

COMMITTEE -- House Government Operations, Legal and Monetary Affairs Subcommittee.

BEGAN HEARINGS -- On filter cigarette advertising and Federal Trade Commission action to protect the public against false and misleading advertising.

TESTIMONY -- July 18 -- Dr. E. Cuyler Hammond, a spokesman for the American Cancer Society, said the "evidence is overwhelming that cigarette smoking is a causative factor of great importance" in lung cancer. He added that "this does not imply that smoking is the only cause." Hammond said cigarette smoking also appeared to increase the likelihood of heart and arterial disease, and that pipe and cigar smokers appeared to have a better life expectancy than cigarette users. Hammond said studies showed the death rate of men smoking one to two packs of cigarettes a day was 96 percent higher than that for men who never smoked.

Dr. Clarence Cook Little, chairman of the Scientific Advisory Board to the Tobacco Industry Research Committee, said he "wouldn't want to go as far as to say it is fallacious" to contend smoking caused cancer, because "I just don't know." Anything inhaled into the lung was a "potential irritant," he said, so there was "nothing unique" in tobacco smoke. Tobacco executives were anxious to "know the truth," he said, because of the "violent attacks" on them.

(For Committee Briefs, see p. 855)

Public Laws -- Bills Introduced

PUBLIC LAWS

Public Law 67

HR 6287 -- Make appropriations for Departments of Labor, and Health, Education and Welfare and related agencies for fiscal year ending June 30, 1958. FOGARTY -- (D R.I.) -- 3/21/57 -- House Appropriations reported March 21, 1957. House passed April 4, 1957. Senate Appropriations reported June 7, 1957. Senate passed, amended, June 12, 1957. House agreed to conference report June 26, 1957. Senate agreed to conference report June 27, 1957. President signed June 29, 1957.

Public Law 68

HR 4748 -- Amend Act of August 11, 1955, to extend time during which annual assessment work on unpatented mining claims subject to that act may be made. BERRY (R S.D.) -- 2/14/57 -- House Interior and Insular Affairs reported June 13, 1957. House passed June 24, 1957. Senate Interior and Insular Affairs reported June 26, 1957. Senate passed June 27, 1957. President signed June 29, 1957.

Public Law 69

HR 6070 -- Make appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies and offices for fiscal year ending June 30, 1958. THOMAS (D Texas) -- 3/15/57 -- House Appropriations reported March 15, 1957. House passed March 20, 1957. Senate Appropriations reported June 7, 1957. Senate passed, amended, June 12, 1957. House agreed to conference report June 27, 1957. Senate agreed to conference report June 27, 1957. President signed June 29, 1957.

Public Law 70

HR 3373 -- Amend Act of Dec. 2, 1942, and Act of Aug. 16, 1941, re injury, disability, and death resulting from war-risk hazards and from employment suffered by employees of contractors of U.S. CELLER (D N.Y.) -- 1/22/57 -- House Judiciary reported June 24, 1957. House passed June 27, 1957. Senate passed June 27, 1957. President signed June 29, 1957.

Public Law 71

HR 6523 -- Amend Federal Employees' Compensation Act to provide compensation for employees of U.S. suffering injuries from war-risk hazards or during detention by a hostile force or person. CELLER (D N.Y.) -- 3/29/57 -- House Judiciary reported June 24, 1957. House passed June 27, 1957. Senate passed June 27, 1957. President signed June 29, 1957.

Public Law 72

HR 7050 -- Amend law re recoupment of funds expended in cooperation with school board of Klamath County, Ore., because of attendance of Indian children. ULLMAN (D Ore.) -- 4/18/57 -- House Interior and Insular Affairs reported June 13, 1957. House passed June 24, 1957. Senate passed June 26, 1957. President signed June 29, 1957.

Public Law 73

HR 7635 -- Increase authorization for appropriations for Hospital Center and facilities in District of Columbia. SMITH (D Va.) -- 5/29/57 -- House District of Columbia reported June 20, 1957. House passed June 24, 1957. Senate passed June 26, 1957. President signed June 29, 1957.

Public Law 74

HR 7554 -- Make provisions re exemption of furlough travel by service personnel from tax on transportation of persons. COOPER (D Tenn.) -- 6/6/57 -- House Ways and Means reported June 7, 1957. House passed June 21, 1957. Senate Finance reported June 26, 1957. Senate passed June 27, 1957. President signed June 29, 1957.

Public Law 75

HR 7598 -- Make appropriations for Legislative Branch for fiscal year ending June 30, 1958. NORRELL (D Ark.) -- 5/16/57 -- House Appropriations reported May 16, 1957. House passed May 22, 1957. Senate Appropriations reported June 26, 1957. Senate passed, amended, June 27, 1957. House agreed to Senate amendments June 28, 1957. President signed July 1, 1957.

Public Law 76

S 768 -- Designate east Fourteenth Street highway bridge over Potomac River at Fourteenth Street in District of Columbia as Rochambeau Memorial Bridge. BYRD (D Va.) and other Senators -- 1/3/57 -- Senate District of Columbia reported May 15, 1957. Senate passed May 16, 1957. House District of Columbia reported June 3, 1957. House passed June 20, 1957. President signed July 1, 1957.

Public Law 77

HR 5189 -- Make appropriations for Department of Interior and related agencies for fiscal year ending June 30, 1958. KIRKAN (D Ohio) -- 2/21/57 -- House Appropriations reported Feb. 21, 1957. House passed Feb. 26, 1957. Senate Appropriations reported June 20, 1957. Senate passed, amended, June 26, 1957. House agreed to conference report June 1, 1957. President signed July 1, 1957.

Public Law 78

H J Res 391 -- Make temporary appropriations for fiscal year 1958. CANNON (D Mo.) -- 7/1/57 -- House passed July 1, 1957. Senate passed July 1, 1957. President signed July 1, 1957.

Public Law 79

S 2243 -- Amend sec. 261 of Atomic Energy Act. ANDERSON (D N.M.) -- 6/10/57 -- Joint Atomic Energy reported in Senate June 14, 1957. Senate passed June 18, 1957. House passed June 24, 1957. President signed July 3, 1957.

Public Law 80

S 1264 -- Exempt from taxation certain property of National Trust for Historical Preservation in the U.S. in District of Columbia. CASE (R N.J.) -- 2/18/57 -- Senate District of Columbia reported May 15, 1957. Senate passed May 22, 1957. House District of Columbia reported June 20, 1957. House passed June 24, 1957. President signed July 3, 1957.

Public Law 81

S 1141 -- Authorize and direct Administrator of General Services to donate to Philippine Republic certain records captured from insurgents during 1899-1903. SMITH (R N.J.) -- 2/11/57 -- Senate Government Operations reported June 3, 1957. Senate passed June 6, 1957. House Government Operations reported June 27, 1957. House passed July 1, 1957. President signed July 3, 1957.

Public Law 82

S 1576 -- Exempt sale of materials for certain war memorials in District of Columbia from D.C. Sales Tax Act. ERVIN (D N.C.) -- 3/14/57 -- Senate District of Columbia reported May 15, 1957. Senate passed May 22, 1957. House District of Columbia reported June 20, 1957. House passed June 24, 1957. President signed July 3, 1957.

Public Law 83

S 1586 -- Eliminate financial limitation on real and personal estate holdings of American Historical Association and exempt from taxation certain property of such association in District of Columbia. SALTONSTALL (R Mass.) -- 3/14/57 -- Senate District of Columbia reported May 15, 1957. Senate passed May 22, 1957. House District of Columbia reported June 20, 1957. House passed June 24, 1957. President signed July 3, 1957.

Public Law 84

S 1794 -- Amend section 6 of Act approved July 3, 1890 (26 Stat. 215) re admission into the Union of Idaho by providing for use of public lands granted therein for purpose of construction, reconstruction, repair, renovation, furnishing, equipment or other permanent improvement of public buildings at the capital. CHURCH (D Idaho) -- 4/4/57 -- Senate Interior and Insular Affairs reported May 8, 1957. Senate passed May 16, 1957. House Interior and Insular Affairs reported June 13, 1957. House passed July 1, 1957. President signed July 3, 1957.

Public Law 85

S 1429 -- Authorize enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in existing Senate Office Building to provide improved accommodations for U.S. Senate. CHAVEZ (D N.M.) -- 2/28/57 -- Senate Public Works reported March 8, 1957. Senate passed March 12, 1957. House Public Works reported March 27, 1957. House passed June 27, 1957. President signed July 10, 1957.

Public Law 86

HR 3836 -- Repeal sec. 1157 of title 18 of U.S.C. re sale or disposition of livestock of Indians. HALEY (D Fla.) -- 2/28/57 -- House Interior and Insular Affairs reported May 15, 1957. House passed June 3, 1957. Senate Interior and Insular Affairs reported June 18, 1957. Senate passed June 26, 1957. President signed July 10, 1957.

Public Law 87

HR 3400 -- Provide full and fair disclosure of character of charitable, benevolent, patriotic or other solicitation in District of Columbia. McMILLAN (D S.C.) -- 1/22/57 -- House District of Columbia reported April 5, 1957. House passed April 8, 1957. Senate District of Columbia reported June 17, 1957. Senate passed, amended, June 26, 1957. House agreed to Senate amendments June 27, 1957. President signed July 10, 1957.

Public Law 88

HR 3477 -- Make provision re moneys received from mineral lands in Alaska. BARTLETT (D Alaska) -- 1/23/57 -- House Interior and Insular Affairs reported Feb. 22, 1957. House passed April 1, 1957. Senate Interior and Insular Affairs reported June 20, 1957. Senate passed June 26, 1957. President signed July 10, 1957.

Public Law 89

HR 3837 -- Amend Act of Aug. 24, 1912, as amended, re educational leave to employees of Bureau of Indian Affairs. HALEY (D Fla.) -- 1/28/57 -- House Interior and Insular Affairs reported May 15, 1957. House passed June 3, 1957. Senate Interior and Insular Affairs reported June 18, 1957. Senate passed June 26, 1957. President signed July 10, 1957.

Public Law 90

HR 4945 -- Provide for conveyance of certain real property in West Palm Beach, Fla., to Port of Palm Beach District. ROGERS (D Fla.) -- 2/18/57 -- House Government Operations reported May 15, 1957. House passed May 21, 1957. Senate Government Operations reported June 13, 1957. Senate passed June 26, 1957. President signed July 10, 1957.

Public Law 91

HR 6692 -- Authorize transfer of Coyote Valley Indian Rancheria to Secretary of Army. SCUDDER (R Calif.) -- 4/5/57 -- House Interior and Insular Affairs reported May 15, 1957. House passed June 3, 1957. Senate Interior and Insular Affairs reported June 18, 1957. Senate passed June 26, 1957. President signed July 10, 1957.

Public Law 92

HR 7259 -- Make provision re marketing quotas and price supports for fire-cured, dark air-cured, and Virginia sun-cured tobacco. ABBOTT (D Va.) -- 5/6/57 -- House Agriculture reported May 28, 1957. House passed June 3, 1957. Senate Agriculture and Forestry reported June 26, 1957. Senate passed June 26, 1957. President signed July 10, 1957.

Public Law 93

S 1428 -- Authorize furniture and furnishings for additional office building for U.S. Senate. CHAVEZ (D N.M.) -- 2/28/57 -- Senate Public Works reported March 8, 1957. Senate passed March 12, 1957. House Public Works reported March 27, 1957. House passed June 27, 1957. President signed July 1, 1957.

Public Law 94

HR 7249 -- Improve and extend, through reciprocal legislation, enforcement of duties of support in District of Columbia. SMITH (D Va.) -- 5/6/57 -- House District of Columbia reported June 3, 1957. House passed June 24, 1957. Senate passed June 26, 1957. President signed July 10, 1957.

Public Law 95

S 1430 -- Increase the cost limit on the Senate Office Building. CHAVEZ (D N.M.) -- 2/28/57 -- Senate Public Works reported March 8, 1957. Senate passed March 12, 1957. House Public Works reported May 27, 1957. House passed June 27, 1957. President signed July 10, 1957.

Public Law 96

H J Res 172 -- Relating to the release of the stockpile of long staple cotton. RHODES (R Ariz.) -- 1/17/57 -- House Agriculture reported April 10, 1957. House passed May 6, 1957. Senate Agriculture and Forestry reported June 18, 1957. Senate passed June 18, 1957. President signed July 10, 1957.

Public Law 97

S 1396 -- Provide for the use of public lands granted to the State of Wyoming at the time of its admission into the Union to be used for construction, reconstruction, repair, renovation, furnishing or other permanent improvement of public buildings at the capital of the state. BARRETT (R Wyo.) and O'MAHONEY (D Wyo.) -- 2/26/57 -- Senate Interior and Insular Affairs reported May 1, 1957. Senate passed May 8, 1957. House Interior and Insular Affairs discharged. House passed July 1, 1957. President signed July 11, 1957.

Public Law 98

S 45 -- Authorize the Secretary of Agriculture to sell certain military reservation lands to the village of Central, N.M. ANDERSON (D N.M.) -- 1/7/57 -- Senate Agriculture reported May 1, 1957. Senate passed May 9, 1957. House Agriculture discharged. House passed July 1, 1957. President signed July 11, 1957.

Public Law 99

S 937 -- Amend the Interstate Commerce Act to eliminate the necessity of gaining prior approval for the publication of certain rates. MAGNUSON (D Wash.) -- 1/29/57 -- Senate Interstate and Foreign Commerce reported May 17, 1957. Senate passed May 22, 1957. House Interstate and Foreign Commerce reported June 19, 1957. House passed June 19, 1957. President signed July 11, 1957.

Public Law 100

S 806 -- Quitclaim interest of U.S. in certain lands in Indiana to State of Indiana and Vincennes University. CAPEHART (R Ind.) -- 1/23/57 -- Senate Government Operations reported May 29, 1957. Senate passed June 5, 1957. House Government Operations reported June 27, 1957. House passed July 1, 1957. President signed July 12, 1957.

Public Law 101

S 1412 -- Amend the Performance Rating Act of 1950 to include civilian officers and members of crews of vessels operated by Army and Navy. JOHNSTON (D S.C.) -- 2/27/57 -- Senate Post Office and Civil Service reported April 8, 1957. Senate passed April 12, 1957. House Post Office and Civil Service reported June 24, 1957. House passed July 1, 1957. President signed July 12, 1957.

Public Law 102

S 1806 -- Amend the Sockeye Salmon Fishery Act of 1957 defining the species of salmon affected by the Act's regulations. MAGNUSON (D Wash.), JACKSON (D Wash.) -- 4/4/57 -- Senate Interstate and Foreign Commerce reported May 13, 1957. Senate passed May 22, 1957. House Merchant Marine and Fisheries discharged. House passed July 1, 1957. President signed July 12, 1957.

Public Law 103

S 886 -- Provide transportation on Canadian vessels between certain ports in southeastern Alaska. MAGNUSON (D Wash.) -- 1/25/57 -- Senate Interstate and Foreign Commerce reported May 13, 1957. Senate passed May 22, 1957. House Merchant Marine and Fisheries reported May 23, 1957. House passed July 1, 1957. President signed July 12, 1957.

Public Law 104

HR 6659 -- Housing Act of 1957. Amend laws relating to provision and improvement of housing, improve the availability of mortgage credit. SPENCE (D Ky.) -- 4/4/57 -- House Banking and Currency reported April 8, 1957. House passed May 9, 1957. Senate Banking and Currency reported May 20, 1957. Senate passed May 29, 1957. House agreed to conference report June 28, 1957. Senate agreed to conference report July 1, 1957. President signed July 12, 1957.

BILLS INTRODUCED

CQ's eight subject categories and their subdivisions:

- | | |
|--|---|
| 1. AGRICULTURE | 7. MISC. & ADMINISTRATIVE |
| 2. APPROPRIATIONS | Civil Service
Commemorative
Congress
Constitution, Civil Rights
Crimes, Courts, Prisons
District of Columbia
Indian & Territorial Affairs
Land and Land Transfers
Post Office
Presidential Policy
General |
| 3. EDUCATION & WELFARE | 8. TAXES & ECONOMIC POLICY |
| Housing & Schools
Safety & Health
Social Security
Welfare | Business & Banking
Commerce & Communications
Natural Resources
Public Works & Reclamation
Taxes & Tariffs |
| 4. FOREIGN POLICY | |
| Administrative Policy
Immigration & Naturalization
International Relations | |
| 5. LABOR | |
| 6. MILITARY & VETERANS | |
| Defense Policy
Veterans | |

Within each category are Senate bills in chronological order followed by House bills in chronological order. Bills are described as follows: Bill number, brief description of provisions, sponsor's name, date introduced and committee to which bill was assigned. Bills sponsored

by more than one Senator are listed under the first sponsor, with additional sponsors listed. Private bills are not listed.

In the House identical bills are sponsored by several Members but each bill has only one sponsor and one number. In such cases only the first bill introduced -- that with the lowest bill number -- is described in full. Bills introduced subsequently during the period and identical in nature are cited back to the earliest bills. Private bills are not listed.

TALLY OF BILLS

The number of measures -- public and private -- introduced in the 85th Congress from Jan. 3, 1957, through July 14, 1957.

	Senate	House
Bills	2,541	8,695
Joint Resolutions	121	405
Concurrent Resolutions	40	214
Simple Resolutions	162	316
TOTAL	2,864	9,630

This week's listing includes:

Bills	HR 8557 to HR 8695 S 2476 to S 2541
Resolutions	S J Res 117 to S J Res 121 S Con Res 40
	S Res 160 to S Res 162
	H J Res 396 to H J Res 405
	H Con Res 212 to H Con Res 214 H Res 311 to H Res 316

1. Agriculture

- S 2490 -- Provide for control of noxious weeds on land under control or jurisdiction of Federal Government. HUMPHREY (D Minn.) -- 7/8/57 -- Senate Agriculture and Forestry.
- S 2514 -- Continue election of two county committees for certain counties. THYE (R Minn.) -- 7/10/57 -- Senate Agriculture and Forestry.
- HR 8559 -- Permit farmers in areas affected by excessive rainfall and floods to include acreage in acreage reserve program up to Aug. 15, 1957. HARDEN (R Ind.) -- 7/8/57 -- House Agriculture.
- HR 8625 -- Repeal the Sustained Yield Act of March 29, 1944 (58 Stat. 132). PORTER (D Ore.) -- 7/10/57 -- House Agriculture.
- HR 8630 -- Extend period for amortization of grain-storage facilities. COAD (D Iowa) -- 7/10/57 -- House Ways and Means.
- HR 8649 -- Amend the Packers and Stockyards Act, 1921, as amended, by the grouping of titles of such act amended into separately named acts. METCALF (D Mont.) -- 7/11/57 -- House Agriculture.

2. Appropriations

- HR 8626 -- Make a permanent appropriation for the operation and maintenance of the Puerto Rico National Cemetery at San Juan, P.R., POWELL (D N.Y.) -- 7/10/57 -- House Appropriations.
- HR 8653 -- Appropriate \$3 million, to be used by Secretary of Agriculture, in cooperation with the State of Florida, for control and eradication of screwworms. SIKES (D Fla.) -- 7/11/57 House Appropriations

3. Education and Welfare

HOUSING AND SCHOOLS

- S 2505 -- Provide graduate fellowships for certain veterans for study, leading to a career in teaching. KENNEDY (D Mass.) (by request) -- 7/9/57 -- Senate Labor and Public Welfare.
- HR 8571 -- Provide Federal insurance for loans made to science and engineering students. LANE (D Mass.) -- 7/8/57 -- House Education and Labor.
- HR 8674 -- Reduce premium rates for FHA insurance on cooperative housing to one-fourth of 1 percent. HOLTZMAN (D N.Y.) -- 7/12/57 -- House Banking and Currency.
- HR 8679 -- Provide a 1-year extension of programs of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provisions of Public Laws 815 and 874, 81st Congress. BAILEY (D W.Va.) -- 7/12/57 -- House Education and Labor.

SAFETY AND HEALTH

- S 2480 -- Amend act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907. LANGER (R N.D.) -- 7/8/57 -- Senate Interstate and Foreign Commerce.
- HR 8557 -- Promote boating safety on navigable waters of United States. ALLEN (R Calif.) -- 7/8/57 -- House Merchant Marine and Fisheries.
- HR 8567 -- Similar to HR 8557. TOLLEFSON (R Wash.) -- 7/8/57.
- HR 8629 -- Protect public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety. WOLVERTON (R N.J.) -- 7/10/57 -- House Interstate and Foreign Commerce.

SOCIAL SECURITY

- S 2506 -- Amend title II of the Social Security Act to permit the state of Georgia to extend the insurance system established by such title to service performed by certain policemen and firemen in such state. TALMADGE (D Ga.), RUSSELL (D Ga.) -- 7/9/57 -- Senate Judiciary.
- S 2534 -- Amend title II of Social Security Act to include Tennessee among states which may obtain social security coverage for state and local policemen and firemen. GORE (D Tenn.) -- 7/12/57 -- Senate Finance.
- HR 8598 -- Amend title II of Social Security Act to permit Alabama to extend the insurance system established by such title to service performed by certain policemen and firemen in such state. JONES (D Ala.) -- 7/9/57 -- House Ways and Means.
- HR 8599 -- Amend title II of Social Security Act to provide that exception from "wages" made by section 209 (i) of such act is not applicable to payments to employees of a state or a political subdivision thereof for employment covered under voluntary agreements pursuant to section 218 of such act. KEAN (R N.J.) -- 7/9/57 -- House Ways and Means.
- HR 8601 -- Amend title II of Social Security Act to permit employees of non-profit organizations who are members of public retirement systems to be included under state agreements as state or local employees for purposes of social security coverage. KEOUGH (D N.Y.) -- 7/9/57 -- House Ways and Means.

HR 8602 -- Amend provisions of Social Security Act to consolidate the reporting of wages by employers for income-tax withholding and old-age, survivors, and disability-insurance purposes. LAIRD (R Wis.) -- 7/9/57 -- House Ways and Means.

WELFARE

- HR 8609 -- Protect right of the blind to self-expression through organizations of the blind. BARING (D Nev.) -- 7/9/57 -- House Education and Labor.

4. Foreign Policy

ADMINISTRATIVE POLICY NO INTRODUCTIONS

IMMIGRATION AND NATURALIZATION NO INTRODUCTIONS

INTERNATIONAL RELATIONS

- S J Res 118 -- Oppose distinction by foreign nations against United States citizens because of individual religious affiliations. HUMPHREY (D Minn.) -- 7/8/57 -- Senate Foreign Relations.
- S J Res 119 -- Authorize President to invite States of the Union and foreign countries to participate in the St. Lawrence seaway celebration to be held in Chicago, Ill., from Jan. 1, 1959, to Dec. 31, 1959. DOUGLAS (D Ill.) -- 7/9/57 -- Senate Judiciary.
- S 2517 -- Permit articles imported from foreign countries for the purpose of exhibition at the St. Lawrence seaway celebration, to be held at Chicago, Ill., to be admitted without payment of tariff. DOUGLAS (D Ill.) -- 7/9/57 -- Senate Finance.
- S 2518 -- Amend act of June 28, 1935, entitled "An act to authorize participation by the United States in the Interparliamentary Union," GREEN (D R.I.) -- 7/10/57 -- Placed on calendar.

H J Res 398 -- Revise Status of Forces Agreement, other treaties and international agreements, or withdrawal of the U.S. from such treaties and agreements, so foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries. GRAY (D Ill.) -- 7/8/57 -- House Foreign Affairs.

H J Res 399 -- Amend act of Congress approved Aug. 7, 1935 (PL 253), concerning United States contributions to the International Council of Scientific Unions and certain associated unions. O'HARA (D Ill.) -- 7/8/57 -- House Foreign Affairs.

H J Res 404 -- Provide for recognition and endorsement of Second World Metallurgical Congress. BOLTON (R Ohio) -- 7/12/57 -- House Foreign Affairs.

H J Res 405 -- Negotiate treaty with Mexico to limit border crossings by minors. WILSON (R Calif.) -- 7/12/57 -- House Foreign Affairs.

HR 8681 -- Prohibit delivery of members of the armed services of the United States to jurisdiction of any foreign nation. KILDAY (D Texas) -- 7/12/57 -- House Armed Services.

5. Labor

NO INTRODUCTIONS

6. Military and Veterans

DEFENSE POLICY

S 2518 -- Promote interests of national defense through advancement of scientific and professional research and development program of Department of Defense. JOHNSTON (D S.C.) -- 7/10/57 -- Senate Post Office and Civil Service.

S 2525 -- Repeal section 601 of PL 155, 82d Congress. ALLOTT (R Colo.) -- 7/11/57 -- Senate Armed Services.

HR 8558 -- Amend title 10 USC to authorize additional cadets at the United States Military Academy and additional facilities to accommodate those cadets. BROOKS (D La.) -- 7/8/57 -- House Armed Services.

HR 8604 -- Create a Supply and Service Administration as a department in Department of Defense, to provide at least 25 percent of the procurement contracts by the Administration shall be let to small business. McGOVERN (D S.D.) -- 7/9/57 -- House Armed Services.

HR 8650 -- Similar to HR 8604. POFF (R Va.) -- 7/11/57.

VETERANS

S 2522 -- Permit certain veterans to waive entitlement to insurance benefits under title II of the Social Security Act in order to preserve their rights to receive disability pensions under laws administered by the Veterans' Administration. LANGER (R N.D.) -- 7/11/57 -- Senate Finance.

7. Miscellaneous-Administrative

CIVIL SERVICE

- S 2478 -- Establish a system for classification and compensation of scientific and professional positions in the Government. LANGER (R N.D.) -- 7/8/57 -- Senate Post Office and Civil Service.
 S 2501 -- Authorize 88 positions for specially qualified scientific and professional personnel in the Department of Commerce at rates of compensation not to exceed the maximum rate payable under PL 313, 80th Congress, as amended, and PL 854, 84th Congress. JOHNSTON (D S.C.) (by request) -- 7/9/57 -- Senate Post Office and Civil Service.

HR 8606 -- Amend Civil Service Retirement Act re annuities of survivors of employees who are elected as Members of Congress. MICHEL (R Ill.) -- 7/9/57 -- House Post Office and Civil Service.

COMMEMORATIVE

- S J Res 117 -- Authorize Secretary of Interior to make loans to Crazy Horse Memorial Foundation. MUNDT (R S.D.) -- 7/8/57 -- Senate Interior and Insular Affairs.
 S 2502 -- Provide for establishment of Geographic Center of the North American Continent National Monument. LANGER (R N.D.) -- 7/9/57 -- Senate Interior and Insular Affairs.

- H J Res 397 -- Declare Flag Day to be legal holiday. FULTON (R Pa.) -- 7/8/57 -- House Judiciary.
 H J Res 400 -- Designate week of Nov. 22-28, 1957, as National Farm-City Week. ANDRESEN (R Minn.) -- 7/8/57 -- House Judiciary.
 H Con Res 213 -- Recognize Baseball Hall of Fame at Cooperstown, N.Y., as a memorial. KEARNEY (R N.Y.) -- 7/8/57 -- House Administration.

CONGRESS

- S 2500 -- Make uniform the termination date for use of official franks by former Members of Congress. JOHNSTON (D S.C.) -- 7/9/57 -- Senate Post Office and Civil Service.

- H J Res 402 -- Provide for printing as a House document, Bulletin No. 1215 of the Bureau of Labor Statistics of the Department of Labor. BAILEY (D W.Va.) -- 7/11/57 -- House Administration.
 H Con Res 214 -- Provide for a joint congressional committee to investigate and study the case of William S. Girard, specialist, third class, United States Army. AYRES (R Ohio) -- 7/11/57 -- House Rules.
 H Res 311 -- Appoint a select committee to conduct a full and complete investigation of the use of chemicals and other additives in food, medicine, and beverages to ascertain what deleterious effects such chemicals have on human life and health. FARBSTEIN (D N.Y.) -- 7/11/57 -- House Rules.
 H Res 312 -- Create a select committee to conduct investigations of all Federal grants-in-aid. LANDRUM (D Ga.) -- 7/11/57 -- House Rules.
 H Res 315 -- Create a select committee to conduct an investigation of existing statutes and treaties re jurisdiction of courts of the United States over persons serving with, employed by, or accompanying the Armed Forces of the United States outside the territorial limits of the United States. KEATING (R N.Y.) -- 7/12/57 -- House Rules.
 H Res 316 -- Amend House Resolution 99, 85th Congress, as amended. HARRIS (D Ark.) -- 7/12/57 -- House Rules.
 H R 8621 -- Provide that a statement of amounts expended by the United States for overseas travel or subsistence of Members of Congress and certain other Federal officers and employees shall be printed in the Federal Register. HARRISON (D Va.) -- 7/10/57 -- House Government Operations.

CONSTITUTION, CIVIL RIGHTS

- H J Res 398 -- Amend the Constitution of the United States re disapproval and reduction of items in general appropriation bills. FULTON (R Pa.) -- 7/8/57 -- House Judiciary.
 H J Res 403 -- Amend the Constitution of the United States prescribing term of office of members of the Supreme Court. ABERNETHY (D Miss.) -- 7/11/57 -- House Judiciary.
 H R 8603 -- Revise Federal election laws, to prevent corrupt practices in Federal elections. UDALL (D Ariz.) -- 7/9/57 -- House Administration.

CRIMES, COURTS AND PRISONS

- HR 8574 -- Amend the Internal Security Act of 1950. WALTER (D Pa.) -- 7/8/57 -- House Un-American Activities.
 HR 8596 -- Amend chapter 223 of title 18, USC, to provide for the admission of certain evidence so as to safeguard individual rights without hampering effective and intelligent law enforcement. CRAMER (R Fla.) -- 7/8/57 -- House Judiciary.
 HR 8597 -- Establish rules of interpretation governing questions of the effect of acts of Congress on state laws. DORN (D S.C.) -- 7/9/57 -- House Judiciary.
 HR 8600 -- Similar to HR 8596. KEATING (R N.Y.) -- 7/9/57.
 HR 8603 -- Similar to HR 8596. LAIRD (R Wis.) -- 7/9/57.
 HR 8624 -- Similar to HR 8596. POFF (R Va.) -- 7/10/57.
 HR 8655 -- Amend the Administrative Procedure Act and the Communist Control Act of 1954 to provide for passport review procedure and prohibit the issuance of passports to persons going or staying abroad to support the Communist movement. WALTER (D Pa.) -- 7/11/57 -- House Judiciary.

HR 8658 -- Amend section 802 of title 10 of the USC re jurisdiction of the military departments over crimes committed by members of the Armed Forces in foreign nations. BOW (R Ohio) -- 7/11/57 -- House Armed Services.

DISTRICT OF COLUMBIA

- S 2481 -- Prohibit experiments upon living dogs in the District of Columbia and provide a penalty for violation thereof. LANGER (R N.D.) -- 7/8/57 -- Senate District of Columbia.
 S 2516 -- Increase salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia. BEALL (R Md.) -- 7/10/57 -- Senate District of Columbia.
- HR 8572 -- Provide for a dual banking system in the District of Columbia. MULTER (D N.Y.) -- 7/8/57 -- House District of Columbia.

INDIAN AND TERRITORIAL AFFAIRS

- S 2512 -- Provide compensation to lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana. MURRAY (D Mont.), Mansfield (D Mont.) -- 7/10/57 -- Senate Interior and Insular Affairs.
 S 2535 -- Amend the Alaska Public Works Act (63 Stat. 627, 48 USC, 486, et seq.) to clarify authority of Secretary of Interior to convey federally owned land utilized in the furnishing of public works. CHAVEZ (D N.M.) (by request) -- 7/12/57 -- Senate Public Works.
 S 2536 -- Grant to territory of Alaska title to certain lands beneath tidal waters. BARRETT (R Wyo.) (by request) -- 7/12/57 -- Senate Interior and Insular Affairs.

- HR 8568 -- Establish reciprocity between members of Umatilla Indian Tribes and other Indian tribes in the matter of succession by will or inheritance to certain types of restricted or trust properties. ULLMAN (D Ore.) -- 7/8/57 -- House Interior and Insular Affairs.
 HR 8646 -- Amend the Alaska Public Works Act (63 Stat. 627, 48 USC, sec. 486, et seq.) to clarify authority of Secretary of Interior to convey federally owned land utilized in the furnishing of public works. BARTLETT (D Alaska) -- 7/11/57 -- House Interior and Insular Affairs.
 HR 8673 -- Amend section 59 of the Hawaiian Organic Act. BURNS (D Hawaii) -- 7/12/57 -- House Interior and Insular Affairs.

LAND AND LAND TRANSFERS

- S 2476 -- Amend section 124 (c) of title 28 of the United States Code so as to transfer Shelby County from the Beaumont to the Tyler division of the eastern district of Texas. JOHNSTON (D Texas) -- 7/8/57 -- Senate Judiciary.
 S 2517 -- Amend sections 2275 and 2276 of Revised Statutes re lands granted to states and territories for public purposes. WATKINS (R Utah), Goldwater (R Ariz.), Allott (R Colo.) -- 7/10/57 -- Senate Interior and Insular Affairs.
 S 2531 -- Authorize conveyance of lands within Old Hickory lock and dam project, Cumberland River, Tenn., to Middle Tennessee Council, Inc., Boy Scouts of America. GORE (D Tenn.) -- 7/12/57 -- Senate Public Works.

- HR 8607 -- Authorize transfer of housing projects to city of Decatur, Ill., or to Decatur Housing Authority. SPRINGER (R Ill.) -- 7/8/57 -- House Banking and Currency.
 HR 8627 -- Direct Secretary of Navy to convey land situated in State of Virginia to Board of Supervisors of York County, Va. ROBESON (D Va.) -- 7/10/57 -- House Armed Services.
 HR 8660 -- Convey certain real property of the United States to township of Neville Island, Allegheny County, Pa. FULTON (R Pa.) -- 7/12/57 -- House Government Operations.

POST OFFICE

- S 2529 -- Clarify the law re acceptance of business reply cards and letters in business reply envelopes. CARLSON (R Kan.) -- 7/11/57 -- Senate Post Office and Civil Service.

- HR 8595 -- Provide reduced rate for air parcel-post service between the United States and its territories and possessions. BURNS (D Hawaii) -- 7/9/57 -- House Post Office and Civil Service.
 HR 8672 -- Amend Postal Field Service Compensation Act of 1955 to change position of order filler from level 2 to level 4 of the postal field service schedule. CHRISTOPHER (D Mo.) -- 7/12/57 -- House Post Office and Civil Service.

PRESIDENTIAL POLICY

- S 2477 -- Organize and microfilm papers of Presidents of the United States in collections of the Library of Congress. JOHNSTON (D Texas) -- 7/8/57 -- Senate Rules and Administration.
 S 2532 -- Amend Federal property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 15 years. HUMPHREY (D Minn.) (by request) -- 7/12/57 -- Senate Government Operations.

- HR 8651 -- Relating to authority of Administrator of General Services re utilization and disposal of excess and surplus Government property under control of executive agencies. POFF (R Va.) -- 7/11/57 -- House Government Operations.

GENERAL

HR 8654 -- Incorporate the National Ladies Auxiliary, Jewish War Veterans of the United States of America. WAINWRIGHT (R N.Y.) -- 7/11/57 -- House Judiciary.

8. Taxes and Economic Policy

BUSINESS AND BANKING

S 2504 -- Amend and extend the Small Business Act of 1953, as amended. CLARK (D Pa.) -- 7/9/57 -- Placed on calendar.
S 2520 -- Amend section 31 of the Securities Exchange Act of 1934. LAUSCHE (D Ohio) -- 7/11/57 -- Placed on calendar.

HR 8573 -- Create a corporation to restore normal employment and produce industrial development in economically depressed areas. SILVER (R Ky.) -- 7/8/57 -- House Banking and Currency.
HR 8682 -- Amend section 11 of the Clayton Act to provide for finality of orders of the Federal Trade Commission. ROOSEVELT (D Calif.) -- 7/12/57 -- House Judiciary.

COMMERCE AND COMMUNICATIONS

S 2508 -- Amend the Civil Aeronautics Act of 1938, as amended, to authorize imposition of civil penalties in certain cases; and increase the monetary amount of fines for violation of criminal provisions. MAGNUSON (D Wash.) (by request) -- 7/9/57 -- Senate Interstate and Foreign Commerce.
S 2526 -- Advance the aeronautical research programs of the National Advisory Committee for Aeronautics. JOHNSTON (D S.C.) -- (by request) -- 7/11/57 -- Senate Post Office and Civil Service.
S 2540 -- Amend sections 402, 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended. MAGNUSON (D Wash.), Bricker (R Ohio), Pastore (D R.I.), Schoepel (R Kan.), Smathers (D Fla.), Butler (R Md.), Bible (D Nev.), Potter (R Mich.), Thurmond (D S.C.), Payne (R Maine), Yarborough (D Texas), Cotton (R N.H.) -- 7/12/57 -- Senate Interstate and Foreign Commerce.

HR 8575 -- Exempt ultra-high-frequency television receiving sets from Federal excise tax. IKARD (D Texas) -- 7/12/57 -- House Ways and Means.
HR 8676 -- Amend the Interstate Commerce Act to permit railroads to transport free or at reduced rates certain postal officers and employees. MOSS (D Calif.) -- 7/12/57 -- House Interstate and Foreign Commerce.

NATURAL RESOURCES

S 2489 -- Require use of humane methods of trapping animals and birds on lands and waterways under jurisdiction of U.S. NEUSERGER (D Ore.), Humphrey (D Minn.), Kefauver (D Tenn.) -- 7/8/57 -- Senate Interior and Insular Affairs.
S 2496 -- Amend act entitled "An act to promote the conservation of wildlife, fish, and game," approved March 10, 1934, as amended, known as the Coordination Act. WATKINS (R Utah) -- 7/8/57 -- Senate Interstate and Foreign Commerce.

HR 8569 -- Stabilize domestic market prices of lead and zinc. BARING (D Nev.) -- 7/8/57 -- House Ways and Means.
HR 8631 -- Amend act entitled "An act to promote the conservation of wildlife, fish, and game," approved March 10, 1934, as amended, known as the Coordination Act. METCALF (D Mont.) -- 7/10/57 -- House Merchant Marine and Fisheries.

PUBLIC WORKS AND RECLAMATION

S 2483 -- Provide for a preliminary examination and survey of the Missouri River between Garrison Dam in North Dakota and Sioux City, Iowa, to determine the advisability of improving such river for navigation between such points. LANGER (R N.D.), Young (R N.D.) -- 7/8/57 -- Senate Public Works.

HR 8570 -- Extend in certain cases the period during which tolls may be charged on Federal-aid highways. BOYKIN (D Ala.) -- 7/8/57 -- House Public Works.

HR 8643 -- Authorize construction of improvements in the Niagara River for power and for other purposes. BUCKLEY (D N.Y.) -- 7/11/57 -- House Public Works.

HR 8644 -- Similar to HR 8643. MILLER (R N.Y.) -- 7/11/57.

HR 8645 -- Amend section 9, subsection (d), of the Reclamation Project Act of 1939, and for other related purposes. ASPINALL (D Colo.) -- 7/11/57 -- House Interior and Insular Affairs.

HR 8647 -- Similar to HR 8645. ENGLE (D Calif.) -- 7/11/57.

HR 8648 -- Amend subsection (f)(1) of section 209 of the Highway Revenue Act of 1956 (70 Stat. 387). FALLON (D Md.) -- 7/11/57 -- House Ways and Means.

HR 8652 -- Rescind authorization for the Waldo Lake Tunnel and regulating works, Willamette River, Ore. PORTER (D Ore.) -- 7/11/57 -- House Public Works.

HR 8660 -- Similar to HR 8643. PILLION (R N.Y.) -- 7/11/57.

HR 8677 -- Similar to HR 8643. OSTERTAG (R N.Y.) -- 7/12/57.

TAXES AND TARIFFS

S 2479 -- Amend the Internal Revenue Code of 1954 to allow deduction for certain expenses paid by a taxpayer in obtaining a college education or in providing a college education for his dependents. LANGER (R N.D.) -- 7/8/57 -- House Finance.

HR 8560 -- Amend section 4141 of the Internal Revenue Code of 1954 to repeal manufacturers' excise tax on children's phonograph records retailing for 25 cents or less. McCARTHY (D Minn.) -- 7/8/57 -- House Ways and Means.

HR 8561 -- Amend paragraph 373 of the Tariff Act of 1930, as modified. REED (R N.Y.) -- 7/8/57 -- House Ways and Means.

HR 8562 -- Amend section 337 of the Internal Revenue Code of 1954 to make such section apply to certain partial liquidations. SIMPSON (R Pa.) -- 7/8/57 -- House Ways and Means.

HR 8563 -- Relating to income tax treatment of gain resulting from the involuntary conversion of property. SIMPSON (R Pa.) -- 7/8/57 -- House Ways and Means.

HR 8564 -- Amend section 1231 of the Internal Revenue Code of 1954 relating to property used in trade or business and involuntary conversions. SIMPSON (R Pa.) -- 7/8/57 -- House Ways and Means.

HR 8565 -- Amend paragraph 396 of the Tariff Act of 1930, as modified. SIMPSON (R Pa.) -- 7/8/57 -- House Ways and Means.

HR 8566 -- Amend paragraph 326 of the Tariff Act of 1930, as modified. SIMPSON (R Pa.) -- 7/8/57 -- House Ways and Means.

HR 8605 -- Amend the Internal Revenue Code of 1954 to repeal taxes imposed on transportation of persons and property. MASON (R Ill.) -- 7/9/57 -- House Ways and Means.

HR 8622 -- Amend the Internal Revenue Code of 1954 re basis (for determining gain or loss) of property acquired from a decedent. HERLONG (D Fla.) -- 7/10/57 -- House Ways and Means.

HR 8623 -- Amend Internal Revenue Code of 1954 to provide accounting procedures whereby dealers in personal property may exclude from gross income amounts withheld by banks and finance companies on notes purchased from such dealers employing the accrual method of accounting. MILLS (D Ark.) -- 7/10/57 -- House Ways and Means.

HR 8628 -- Amend section 1321 of the Internal Revenue Code of 1954. SADLAK (R Conn.) -- 7/10/57 -- House Ways and Means.

HR 8632 -- Similar to HR 8623. SIMPSON (R Pa.) -- 7/10/57.

HR 8657 -- Amend the Internal Revenue Code of 1954 to allow deduction from gross income for amounts paid by a teacher for further education. BERRY (R S.D.) -- 7/11/57 -- House Ways and Means.

HR 8659 -- Provide an exemption from tax on admissions for admissions to certain musical theatrical events. KARSTEN (D Mo.) -- 7/11/57 -- House Ways and Means.

Congressional Quiz

Voting Rights

Civil rights debate brings voting qualifications and statistics to the fore. How is your knowledge of the figures behind the debate? Four out of seven correct answers is a good score.

1. Q--True or false: Civil rights legislation recently approved by the House is restricted completely to the right to vote.

A--False. Only one section of the bill is aimed specifically at voting rights.

2. Q--Negroes constitute a majority of the population in how many of the 11 southern states: (a) none; (b) 4; (c) 2?

A--(a). Mississippi has the largest percentage of Negroes in its population -- 45 percent according to the 1950 census.

3. Q--Which amendment to the Constitution provides equal rights for all United States citizens regardless of "race, color or previous condition of servitude;" (a) 11; (b) 22; (c) 15?

A--(c). The 15th Amendment was ratified in 1870, one of the three Reconstruction Amendments resulting from the Civil War.

4. Q--True or false: Negroes constitute more than 30 percent of the voting population in northern states.

A--False. Estimates based on the 1950 census and more recent statistics indicate that northern Negroes account for no more than 10 percent of the voting population.

5. Q--In which of the following states may citizens vote at 18: (a) Massachusetts; (b) Montana; (c) Georgia; (d) Ohio?

A--(c). Kentucky also permits voting at 18. In all other states a voter must be 21. All states have residence requirements varying from six months to two years.

6. Q--Six of the 11 southern states have abolished payment of poll taxes as a qualification to vote. Which of these states still have poll taxes: (a) Texas; (b) Georgia; (c) Arkansas?

A--(a), (c). Three other states also have poll taxes -- Alabama, Mississippi and Virginia.

7. Q--True or false: The last civil rights legislation was passed during the administration of Ulysses S. Grant.

A--True. The last major civil rights legislation was passed in 1875.

Check your Congressional Quarterly Almanacs for additional details and background information on the news of Congress appearing in the Weekly Reports. Published since 1944, the CQ Almanac is fully indexed and cross referenced.

Civil Rights Progress

A 71-18 roll-call vote brought the Administration's 1957 Civil Rights bill to the Senate floor for action after eight days of debate -- most of it controlled by Southerners opposed to the bill. President Eisenhower immediately expressed his "gratification" at the action and urged the Senate to "keep the measure an effective piece of legislation." Another Senate roll-call vote rejected a move by Wayne Morse (D Ore.) to send the bill to the Judiciary Committee for seven days' investigation and action. (Page 854)

Mutual Security

The House tentatively agreed to cut defense support funds in the Mutual Security Act of 1957 by \$200 million -- to about \$400 million below the Administration request. President Eisenhower termed the action "no less than a threat to our Nation's security and that of the free world." The House blocked an attempt to revise the Status of Forces agreements so that the U.S. would have complete criminal jurisdiction over troops abroad. (Page 853)

Postmen's Pay

Postal union leaders are predicting an easy victory in the House on a bill granting pay increases of \$546 yearly to 510,000 Post Office field employees. Their optimism is well based. A majority of the House already has signed a discharge petition to force the bill to the floor after a vigorous letter-writing campaign by the employee unions. There is no accurate accounting of the number of letters and the amount of money that went into the campaign to bring the bill to the floor, but an estimate of 50,000 letters seems conservative. (Page 868)

Foreign Agents

Attorney General Herbert Brownell Jr. reported there were 307 foreign agents registered in the United States at the end of 1956. He said they spent over \$6.8 million during the year as the "largest sources of political propaganda disseminated in the U.S." Great Britain reported spending the most money, \$2.1 million. Among those registered as agents were two ex-Senators and an ex-Representative. (Page 867)

Roll-Call Votes

HOUSE: Recomittal of a veterans' benefits bill, Page 856.

SENATE: Civil rights, Page 858.

Bowler Dies, McConnell Resigns

Rep. James B. Bowler, Illinois Democrat and a Member of Congress since 1953, died after an extended illness. Rep. Bowler, a member of the Appropriations Committee, is the third Representative to die this session. His death reduces the Democratic membership to 233; there are 200 Republicans.

Rep. Samuel K. McConnell Jr. (R Pa.), top-ranking Republican on the House Education and Labor Committee, submitted his resignation, effective Sept. 1. McConnell has been a Member of the House since 1943. (Page 870)

Wisconsin Primary

The Aug. 27 Wisconsin primary to name candidates for the seat of the late Joseph R. McCarthy has seven Republicans and two Democrats entered. Among the candidates: Walter J. Kohler (R), former Governor, never defeated for public office; former Rep. Glenn R. Davis (R); Rep. Alvin E. O'Konski (R); William Proxmire (D), three-time Democratic gubernatorial candidate; and Rep. Clement J. Zablocki (D). (Page 872)

Depletion Allowances

The Senate Judiciary Antitrust and Monopoly Subcommittee is virtually certain to recommend the end of tax concessions to United States firms operating abroad when it releases its report on 1957 European oil lift hearings. The report will provide a rallying point for opponents of all or some of the tax concessions enjoyed by both domestic and overseas oil firms. In the past these opponents have diminished their effectiveness by not having a central target. The opposition to any change in current practices is formidable with both House Speaker Rayburn and Senate Majority Leader Johnson favoring the status quo. (Page 859)